

# THE CHALLENGES FACING THE DEPARTMENT OF DEFENSE

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## HEARING BEFORE THE COMMITTEE ON ARMED SERVICES UNITED STATES SENATE ONE HUNDRED ELEVENTH CONGRESS FIRST SESSION

JANUARY 27, 2009

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## THE CHALLENGES FACING THE DEPARTMENT OF DEFENSE

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TUESDAY, JANUARY 27, 2009

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:35 a.m. in room SD-106, Dirksen Senate Office Building, Senator Carl Levin (chairman) presiding.

Committee members present: Senators Levin, Lieberman, Reed, Akaka, Bill Nelson, E. Benjamin Nelson, Bayh, Webb, McCaskill, Udall, Hagan, Begich, Burris, McCain, Inhofe, Sessions, Chambliss, Graham, Thune, Martinez, Wicker, Burr, and Collins.

Committee staff members present: Richard D. DeBobes, staff director; and Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella Eisen, counsel; Richard W. Fieldhouse, professional staff member; Creighton Greene, professional staff member; Michael J. Kuiken, professional staff member; William G.P. Monahan, counsel; Michael J. Noblet, professional staff member; John H. Quirk V, professional staff member; Arun A. Seraphin, professional staff member; Russell L. Shaffer, counsel; and William K. Sutey, professional staff member.

Minority staff members present: Joseph W. Bowab, Republican staff director; Adam J. Barker, research assistant; Richard H. Fontaine, Jr., deputy Republican staff director; Paul C. Hutton IV, professional staff member; David M. Morriss, minority counsel; Lucian L. Niemeyer, professional staff member; Diana G. Tabler, professional staff member; Richard F. Walsh, minority counsel; and Dana W. White, professional staff member.

Staff assistants present: Jessica L. Kingston, Christine G. Lang, Ali Z. Pasha, and Brian F. Sebold.

Committee members' assistants present: Jay Maroney, assistant to Senator Kennedy; James Tuite, assistant to Senator Byrd; Elizabeth King, assistant to Senator Reed; Bonni Berge, assistant to Senator Akaka; Christopher Caple, assistant to Senator Bill Nelson; Jon Davey, assistant to Senator Bayh; Gordon I. Peterson, assistant to Senator Webb; Andrew R. Vanlandingham, assistant to Senator Ben Nelson; Stephen C. Hedger and Elizabeth McDermott, assistants to Senator McCaskill; Jennifer Barrett, assistant to Senator Udall; Anthony J. Lazarski, assistant to Senator Inhofe; Lenwood Landrum and Sandra Luff, assistants to Senator Sessions; Clyde A. Taylor IV, assistant to Senator Chambliss; Adam G. Brake, assistant to Senator Graham; Jason Van Beek, assistant to

Senator Thune; Brian W. Walsh and Erskine W. Wells III, assistants to Senator Martinez; Kevin Kane, assistant to Senator Burr; and Rob Epplin, assistant to Senator Collins.

**OPENING STATEMENT OF SENATOR CARL LEVIN, CHAIRMAN**

Chairman LEVIN. Good morning, everybody. This morning is the first committee hearing since new committee members were approved, so I'd like to recognize our new committee members: Senator Mark Begich, Senator Richard Burr, Senator Roland Burris, Senator Kay Hagan, Senator Mark Udall, and Senator David Vitter. A warm welcome to you all. You will enjoy your work on this committee for many reasons, but one surely is its history of a bipartisan approach to our national security.

We also want to welcome Secretary Gates, who will testify on the challenges facing the Department of Defense (DOD). As we can I'm sure notice, the Secretary has one arm a little bit immobile this morning. I guess the snow this morning reminds him of his losing combat with a snow plow a week or so ago. We wish you well, Mr. Secretary. We know you're on the mend, and this is not the first time we've seen the one-armed Secretary before us.

We welcome you. When you previously testified in September, I suggested that it would be likely your last appearance before this committee. I'm glad to say I was wrong. I commend President Obama's decision to ask you to stay on as Secretary of Defense. We all appreciate your dedication, your willingness to continue to serve, and we appreciate your family's support for that decision of yours.

Given your unique position as the only Cabinet member to serve across the Bush and Obama administrations, the continuity and experience that you provide will be of great value to our Nation. While this is not a nomination hearing today since you do not need one as a carryover, it is an opportunity to ask you how you plan to transition to the policies and priorities of the new administration.

The challenges facing the Department at home and abroad are extraordinary. Foremost we will be shifting the emphasis and the balance between two ongoing wars, drawing down in Iraq as we build up in Afghanistan. Secretary Gates, you have called for deploying additional combat brigades and support units to Afghanistan, potentially doubling the current 31,000 U.S. troops deployed there. But making these additional forces available as currently scheduled is slow, slower than the commanding general of the North Atlantic Treaty Organization (NATO) International Security Assistance Force, U.S. General David McKiernan, said last October was needed.

The past year has seen increasing violence in Afghanistan, with roadside bombs reaching an all-time high and spreading insecurity among the Afghan people. Secretary Gates's opening statement tells us this morning that there is "little doubt our greatest military challenge right now is Afghanistan," where again we have 31,000 troops. President Obama has called Afghanistan and Pakistan the central front in America's war against terrorism. Admiral Mullen said recently that "The availability of troops for Afghanistan is tied to the drawdown of our 140,000 troops from Iraq." Add

to that the fact that Iraq now has 265,000 of its own trained Iraqi troops and 310,000 trained police personnel.

Hopefully, the Secretary this morning will address these disparities, which have existed for many months.

The security challenges in Afghanistan require that the United States and its coalition allies not only provide additional combat forces, but also increased capacity and capabilities. We need to deploy key enablers that serve as force multipliers. In particular, we need more trainers, more quickly for the Afghan National Army (ANA), which is a highly motivated and effective fighting force. We also need more intelligence, surveillance, and reconnaissance (ISR) assets in Afghanistan, including unmanned aerial vehicles (UAVs), that are tailored to the unique requirements that the situation in Afghanistan presents.

Secretary Gates has said that in the long run this conflict must be Afghanistan's war, and I agree. We should be doing all we can to enable Afghan security forces to take responsibility for their own country's security.

Hopefully, Pakistan will find a way to slow the activities of terrorists using their borderlands as safe havens and bases for attacks on Afghanistan. But I'm afraid we can't count on that to stop cross-border incursions. We not only need to aggressively increase the number of trainers and mentors for building the capacity of the ANA and Afghan National Police (ANP); we need to actively seek to get the best Afghan security forces deployed where the greatest threat is coming from.

That's why I have urged Secretary Gates as well as General McKiernan, former President Bush, his National Security Adviser (NSA) Stephen Hadley to seek the deployment of the ANA along the Afghan-Pakistan border to counter the threat of incursions coming across that border. Brigadier General John Nicholson, the Deputy Commanding General of the Regional Command South says that "We're not there. The borders are wide open."

The challenges in Afghanistan also require that we mobilize the full range of U.S. power, not just our military power, but our civilian institutions, for diplomacy and development. Secretary Gates has spoken and written with great persuasiveness that military success is not sufficient to win, and that the ingredients for success in the long term include economic development, rule of law, good governance, training and equipping internal security forces, and public diplomacy. Yet the chronic underresourcing of the State Department and the U.S. Agency for International Development (USAID) has left our military and civilian instruments of U.S. power out of balance.

The challenges facing the Department are not confined to Iraq and Afghanistan. Iran continues to be a destabilizing force throughout the Middle East because of uncertainty as to Iran's nuclear weapons goal and its support of insurgent and terrorist groups in the region.

In Europe, the United States will hopefully work with our NATO allies in efforts to improve our relationship with Russia. That relationship has become strained over a proposed missile defense deployment in Europe and further NATO enlargement. We should seek common ground with Russia where it is in our mutual inter-

ests, including fighting terrorism, preventing the proliferation of weapons of mass destruction, reducing the number of nuclear weapons and possibly even missile defense.

For instance, if we could work out a joint program with Russia on missile defense against Iranian missiles, it would change the entire dynamic of regional power and put pressure on Iran to drop any plans for nuclear weapons or long-range missiles to carry them.

We need to remain vigilant in the Asian Pacific region, where North Korea remains a threat to regional stability and China's strategic influence continues to grow.

The challenges confronting U.S. Africa Command (AFRICOM) are vast and complex: ungoverned or undergoverned areas that offer potential havens and recruiting grounds for terrorists, extremists, and Nations emerging from conflict, where peace is fragile and international forces provide much of the security and stability.

In the coming months, the Secretary of Defense will have to make some tough decisions. The committee is interested in any insights that you may have, Mr. Secretary, into changes the new administration may be planning for major weapons systems, priorities, and funding. To strike a better balance between the needs of our deployed forces today and the requirements for meeting the emerging threats of tomorrow.

Of particular interest would be plans for the Air Force's F-22 fighter, the C-17 cargo aircraft, combat search and rescue helicopter program, the Next Generation Aerial Refueling Tanker, the Navy's Littoral Combat Ship (LCS), the DDG-1000, DDG-51, the Army's Future Combat System, and missile defense systems. These programs require tough choices, which will be more difficult due to the current economic crisis.

A top priority for the DOD and Congress must be to reform the acquisition system. Each year, hundreds of billions of dollars of products and services are purchased. Last year the committee received testimony that cost overruns on the Department's 95 largest acquisition programs now total almost \$300 billion over the original program estimates, even though the Department has cut unit quantities and reduced performance expectations on many programs to reduce costs. Acquisition reform will be a top priority for this committee this Congress.

Care for our wounded warriors must remain a priority. DOD needs to continue to work closely with the Department of Veterans Affairs (VA) in crafting and implementing policies and processes to ensure seamless care and transition for our wounded warriors and their families.

It is also essential that the Department continue to focus on supporting all of our servicemembers, not only those who are injured or ill, but also their families, as they face the numerous challenges that lengthy and frequent deployments present.

In the area of personnel, the Department will hopefully continue to address and evaluate the appropriate Active Duty and Reserve end strengths for all the Services. The Army and Marine Corps continue to grow the active Force. While the committee has supported growth in the active ground forces, we must remain vigilant



that we do not sacrifice quality to enhance quantity. We must ensure that recruiting standards are high and waivers are limited.

The Air Force and the Navy have in recent years reduced the size of their Active Duty end strengths, in part to pay for equipment, however, recently both Services halted the decline. The Department must work with Congress to determine the appropriate Active and Reserve end strengths for all the military Services as measured against current and future missions and requirements. We expect the Department to comprehensively address end strength levels in the upcoming Quadrennial Defense Review (QDR).

Some of the Department's choices may become clearer when the second emergency supplemental 2009 appropriations request is submitted in the coming weeks. The Department has indicated it will provide a preliminary 2010 defense authorization budget request, as required by law, on the first Monday in February. But the more meaningful submission this year will be the amended budget request reflecting the priorities of the new administration, which are expected in the middle of April.

[Whereupon, at 9:48 a.m., the committee proceeded to other business, then reconvened at 9:49 a.m.]

Chairman LEVIN. Since a quorum is now present, I ask the committee to consider a list of 654 pending military nominations. All of these nominations have been before the committee the required length of time.

Is there a motion to favorably report these 654 military nominations to the Senate? [Motion.]

Is there a second?

All in favor say aye.

The motion carries.

[The list of nominations considered and approved by the committee follows:]

MILITARY NOMINATIONS PENDING WITH THE SENATE ARMED SERVICES COMMITTEE  
WHICH ARE PROPOSED FOR THE COMMITTEE'S CONSIDERATION ON JANUARY 27, 2009.

1. In the Air Force Reserve, there are 27 appointments to the grade of major general and below (list begins with Donald A. Haught) (Reference No. 1).

2. In the Air Force, there is one appointment to the grade of major (Edmund P. Zynda II) (Reference No. 2).

3. In the Air Force, there is one appointment to the grade of major (Daniel C. Gibson) (Reference No. 3).

4. In the Air Force, there are two appointments to the grade of major (list begins with Donald L. Marshall) (Reference No. 4).

5. In the Air Force, there are three appointments to the grade of major (list begins with Paul J. Cushman) (Reference No. 5).

6. In the Air Force, there are four appointments to the grade of lieutenant colonel and below (list begins with Christopher S. Allen) (Reference No. 6).

7. In the Air Force, there is one appointment to the grade of lieutenant colonel (Ryan R. Pendleton) (Reference No. 7).

8. In the Air Force, there is one appointment to the grade of lieutenant colonel (Howard L. Duncan) (Reference No. 8).

9. In the Air Force Reserve, there are five appointments to the grade of colonel (list begins with Jeffrey R. Grunow) (Reference No. 9).

10. In the Air Force Reserve, there is one appointment to the grade of colonel (Eugene M. Gaspard) (Reference No. 10).

11. In the Air Force Reserve, there are two appointments to the grade of colonel (list begins with Michael R. Powell) (Reference No. 11).

12. In the Air Force Reserve, there are two appointments to the grade of colonel (list begins with Mary Elizabeth Brown) (Reference No. 12).

13. In the Air Force Reserve, there are three appointments to the grade of colonel (list begins with Gary R. Califf) (Reference No. 13).
14. In the Air Force Reserve, there are five appointments to the grade of colonel (list begins with Stephen Scott Baker) (Reference No. 14).
15. In the Air Force Reserve, there are nine appointments to the grade of colonel (list begins with Joseph Allen Banna) (Reference No. 15).
16. In the Air Force Reserve, there are 69 appointments to the grade of colonel (list begins with Keith A. Acree) (Reference No. 16).
17. In the Army Reserve, there is one appointment to the grade of colonel (Scott A. Gronewold) (Reference No. 17).
18. In the Army Reserve, there are two appointments to the grade of colonel (list begins with Robert L. Kaspar, Jr.) (Reference No. 18).
19. In the Army Reserve, there is one appointment to the grade of colonel (Emmett W. Mosely) (Reference No. 19).
20. In the Army Reserve, there are two appointments to the grade of colonel (list begins with Andrew C. Meverden) (Reference No. 20).
21. In the Army, there are six appointments to the grade of lieutenant colonel and below (list begins with Douglas M. Coldwell) (Reference No. 21).
22. In the Army, there is one appointment to the grade of major (Thomas S. Carey) (Reference No. 22).
23. In the Army, there is one appointment to the grade of major (Scottie M. Eppler) (Reference No. 23).
24. In the Army, there is one appointment to the grade of major (Pierre R. Pierce) (Reference No. 24).
25. In the Army, there are two appointments to the grade of major (list begins with Cheryl A. Creamer) (Reference No. 25).
26. In the Army, there are 24 appointments to the grade of major (list begins with Kathryn A. Belill) (Reference No. 26).
27. In the Army, there are 73 appointments to the grade of major (list begins with Christopher Allen) (Reference No. 27).
28. In the Army, there are 137 appointments to the grade of major (list begins with John L. Ament) (Reference No. 28).
29. In the Army, there are 143 appointments to the grade of major (list begins with Terryl L. Aitken) (Reference No. 29).
30. In the Marine Corps, there is one appointment to the grade of lieutenant colonel (Matthew E. Sutton) (Reference No. 30).
31. In the Marine Corps, there is one appointment to the grade of lieutenant colonel (Andrew N. Sullivan) (Reference No. 31).
32. In the Marine Corps, there is one appointment to the grade of lieutenant colonel (Tracy G. Brooks) (Reference No. 32).
33. In the Marine Corps, there are two appointments to the grade of lieutenant colonel (list begins with Peter M. Barack, Jr.) (Reference No. 33).
34. In the Marine Corps, there are two appointments to the grade of lieutenant colonel (list begins with David G. Boone) (Reference No. 34).
35. In the Marine Corps, there are two appointments to the grade of lieutenant colonel (list begins with William A. Burwell) (Reference No. 35).
36. In the Marine Corps, there are two appointments to the grade of lieutenant colonel (list begins with Kurt J. Hastings) (Reference No. 36).
37. In the Marine Corps, there are three appointments to the grade of lieutenant colonel (list begins with James P. Miller, Jr.) (Reference No. 37).
38. In the Marine Corps, there is one appointment to the grade of major (David S. Pummell) (Reference No. 38).
39. In the Marine Corps, there is one appointment to the grade of major (Robert M. Manning) (Reference No. 39).
40. In the Marine Corps, there is one appointment to the grade of major (Michael A. Symes) (Reference No. 40).
41. In the Marine Corps, there is one appointment to the grade of major (Paul A. Shirley) (Reference No. 41).
42. In the Marine Corps, there is one appointment to the grade of major (Richard D. Kohler) (Reference No. 42).
43. In the Marine Corps, there are two appointments to the grade of major (list begins with Julie C. Hendrix) (Reference No. 43).
44. In the Marine Corps, there are four appointments to the grade of major (list begins with Christopher N. Norris) (Reference No. 44).
45. In the Marine Corps, there are three appointments to the grade of major (list begins with Anthony M. Nesbit) (Reference No. 45).
46. In the Marine Corps, there are three appointments to the grade of major (list begins with Gregory R. Biehl) (Reference No. 46).

- 47. In the Marine Corps, there are two appointments to the grade of major (list begins with Travis R. Avent) (Reference No. 47).
  - 48. In the Marine Corps, there are four appointments to the grade of major (list begins with Jose A. Falche) (Reference No. 48).
  - 49. In the Marine Corps, there are six appointments to the grade of major (list begins with Keith D. Burgess) (Reference No. 49).
  - 50. In the Marine Corps, there are three appointments to the grade of major (list begins with Mark L. Hobin) (Reference No. 50).
  - 51. In the Marine Corps Reserve, there are 26 appointments to the grade of colonel (list begins with Kevin J. Anderson) (Reference No. 51).
  - 52. In the Navy, there is one appointment to the grade of lieutenant commander (Steven J. Shauberg) (Reference No. 53).
  - 53. In the Navy, there is one appointment to the grade of lieutenant commander (Karen M. Stokes) (Reference No. 54).
  - 54. In the Navy, there are seven appointments to the grade of commander and below (list begins with Craig W. Aimone) (Reference No. 56).
  - 55. In the Marine Corps Reserve, there are two appointments to the grade of major general (list begins with John H. Croley) (Reference No. 59).
  - 56. In the Army Reserve, there are 42 appointments to the grade of major general and below (list begins with Peter M. Aylward) (Reference No. 63).
- Total: 654.

Chairman LEVIN. One other personnel note. The nomination of Bill Lynn is before the committee and a number of additional questions have been asked relative to any service by Mr. Lynn. Those are appropriate questions and we will attempt to act on that nomination as soon as we can after the answers to those questions are received.

Senator McCain.

#### **STATEMENT OF SENATOR JOHN MCCAIN**

Senator MCCAIN. Thank you very much, Mr. Chairman. I again look forward to working with you and all the members of the committee as we begin the 111th Congress. I join you in welcoming all the new members of the committee. It's been a privilege to sit on this committee for 8 years and I've always appreciated its bipartisan tradition. I'm certain that the new members of our committee will find their participation very rewarding.

I'd also like to welcome Secretary Gates back to the Senate Armed Services Committee. Mr. Secretary, you have been a tireless champion of our men and women in uniform and I cannot think of a more qualified person to serve as our country's Secretary of Defense. We all owe you a debt of gratitude for your outstanding service and your willingness to continue to serve in one of the most difficult jobs in America. I'm confident that you will continue to serve in an exemplary fashion.

Secretary Gates, you know well the challenges that our country faces in the areas of national security, Afghanistan, the drawdown of troops in Iraq, dwell times, closing the prison at Guantanamo Bay, ensuring the readiness of our combat units, and achieving meaningful acquisition reform. In all these areas and more, we face enormous and difficult decisions.

I look forward to working with you and the new administration as we pursue the foremost responsibility of the American government, to secure the security of the American people. Obviously, Afghanistan must be at or near the top of any priority list. The situation there is increasingly challenging and we need to develop and articulate a clear strategy with measurable performance goals in order to prevail there.

I am pleased that the administration is moving in the right direction by increasing the number of U.S. troops on the ground, particularly in the south of Afghanistan. But more troops are just a piece of what is required, as you well know.

We need to put into place a comprehensive civil-military plan, ensure unity of command among those fighting in Afghanistan, increase dramatically the size of the ANA, improve the police forces, and also address the corruption, governance, and narcotics problems much more forthrightly than we have thus far.

Mr. Secretary, last year you testified before this committee fearing that NATO would become a two-tiered alliance of those willing to die to protect people's security and those who were not. We must convince our NATO allies and their citizens that a stable and prosperous Afghanistan is in all of our interests and therefore worthy of a greater contribution from each member state. I look forward to your thoughts in this regard.

Undergirding the efforts of all NATO members in Afghanistan must be an absolute commitment to success in that country. We cannot allow Afghanistan to revert to a safe haven for terrorists who would plot attacks against the American people or our friends around the world. I'll do all I can to convince our allies that, while this war will be hard, it is necessary.

I look forward to hearing your assessment of the NATO mission in Afghanistan, the viability of the Afghan government, the relationship and necessity of a better interaction with the Pakistan government, and how best to develop a comprehensive civil-military strategy.

Also, Mr. Secretary, I think it's important—the most important thing that I have to say to you today: The American people must understand that this is a long, hard slog we're in in Afghanistan. It is complex. It is difficult. It is challenging. I don't see, frankly, an Anbar Awakening, a game-changing event in Afghanistan, such as we were able to see in Iraq. So I think the American people need to understand what's at stake and they need to understand that this is going to take a long time to secure America's vital national security interests in the region.

In Iraq, obviously, we continue to worry about too rapid a draw-down. I'm convinced that leaving a larger force in place in the short run will permit us to make greater reductions later. Critical elections are coming up in Iraq. The Status of Forces Agreement (SOFA) will be up for some kind of referendum. We are by no means finished with the situation in Iraq, but we can be proud of the enormous success, at great sacrifice, of the men and women who have served so nobly and so courageously.

I'm encouraged by Vice President Biden's pledge that the new administration will not withdraw troops in a manner that will threaten Iraqi security, and I look forward to hearing specifically what such a commitment means.

Mr. Secretary, I also want to mention, on the issue of Guantanamo Bay, I am one who said Guantanamo Bay needed to be closed, but I think that we should have made the tough decisions along with it. What do we do with those people who are in our custody who have no country for us to send them back to? What do we do with the people in our custody who we know if returned to

their countries, in some cases failed states like Yemen, will be right back in the battle, as we have found out about former prisoners who have been released and are now leading members of al Qaeda? Also, I think that decisions have to be made as to where these inmates are going to be located.

I believe the military commissions, after a long and arduous process, were starting to function effectively. I'm disappointed that they have been suspended.

We all know that there will be more prisoners that will be kept at Bagram, so maybe we should anticipate a way to deal with that situation rather than be faced with one which may cause us more difficulties if we don't fully anticipate that there's going to be a situation that has to be addressed at Bagram in Afghanistan.

I share the chairman's commitment to acquisition reform. Tough choices are going to have to be made quickly on the F-22, the C-17s, and others, but true acquisition reform is long overdue.

Finally, Mr. Secretary, I'm pleased with the information that I've been receiving lately about the improvements that have been made both in recruiting and retention in the military. I'm sure there is a number of factors and I hope you'll cover some of those as to why we are improving significantly, in both retention and recruiting. Hopefully, the actions of Congress would be helpful there.

I also think that it's very good for morale when you win a conflict and don't lose one. But I'd be very interested in your views about how we've been able to dramatically improve recruiting and retention and what we need to do to continue that as we face the challenges of a continued conflict in Afghanistan and possibly other parts of the world.

[The information referred to follows:]

To date, we have met the challenge of recruiting and retention during the global war on terror. I thank Congress for the various enlistment and reenlistment bonus authorities, which are critical to ensure recruiting, and retention success and, ultimately, our ability to shape the force by enlisting quality youth and retaining members with the correct specialties to maintain the capability of our forces. In fiscal year 2008 and for fiscal year 2009 to date, recruiting and retention programs have been successful for a variety of reasons. Not the least of those reasons is the great confidence and respect directed at those in uniform, in particular, military leadership. It is no coincidence that the latest Harris poll (Figure 1) continues a two-decade trend in rating leaders of the military as the group in which American citizens have the greatest confidence—ahead of leaders of any other enterprises including small or big business, medicine, organized religion or a host of public sector entities. Our surveys of members say the same thing: those in uniform have confidence in their leaders, they like their colleagues, and they appreciate the support they receive in preparing for missions, in performing their duties, or in carrying out personal endeavors. Of course, those successes bear a direct relationship to extraordinary congressional support.

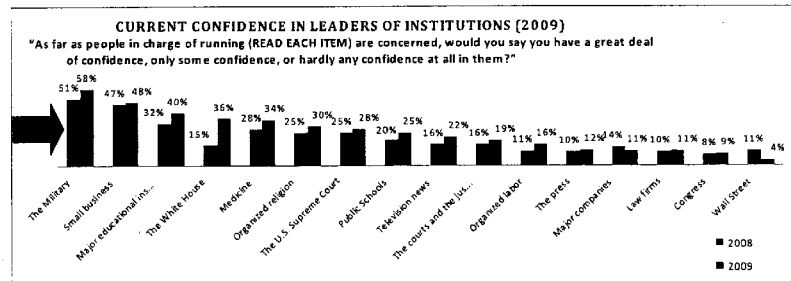


Figure 1 (Source: The Harris Poll, 2009)

Regrettably, rising unemployment and economic uncertainty advantage those who are hiring, including the U.S. military. Clearly, recruiting and retention are less challenging in the current economic environment. However, the economic downturn is not the only factor affecting recruiting. The improving situation in Iraq (in general) and the reduction in casualties (in particular) over the last year certainly impacts propensity to join and stay.

There have been increases in benefits that have also played a significant role. Military pay has increased 52 percent since 1999, compared to 38 percent in the private sector; the basic housing allowance increased 119 percent since 1999—eliminating “out-of-pocket” expenses; the increased use of the Critical Skills Retention Bonus and Assignment Incentive Pays (discretionary incentives to target skills, locations and combinations of same); increases in insurance benefits; and the announcement of the new post-September 11 GI Bill. Although the Montgomery GI Bill has been a cornerstone of our active duty military recruiting efforts since 1985, we believe the provision in the new program allowing career Service members to share or transfer their GI Bill with immediate family members will be an added incentive for new recruits as well as a retention factor for existing Service members. We will be monitoring the effects of this implementation very closely, but believe it is already having a positive effect.

On the cautionary side, there continues to be other factors that significantly affect our ability to attract bright, young Americans into the Armed Forces—the lower likelihood of influencers of youth (e.g., parents and teachers) to recommend service, the lower interest in service among youth themselves, higher numbers of youth going to college directly from high school, and the continuing concerns about the prolonged, worldwide, irregular campaign with its concomitant high operations tempo. We are in uncharted waters—with significant factors, both positive and negative, directly affecting military recruiting. As a result, the Department and the Services are reviewing their recruiting and retention programs to realign funding with current realities. Whatever realignments are undertaken, they will be done carefully and their effects closely monitored.

The continued success of the Department relies on the many quality of life and standards of living improvements made with the help of Congress. We must continue to sustain this standard, and we thank Congress for its continued support of our All-Volunteer Force.

Senator MCCAIN. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Secretary Gates, again our warm welcome and we turn it over to you for your statement.

#### STATEMENT OF HON. ROBERT M. GATES, SECRETARY OF DEFENSE

Secretary GATES. Thank you, Mr. Chairman, Senator McCain, and members of the committee. Thank you for the opportunity to provide an overview of the challenges facing the DOD and some of my priorities for the coming year. In so doing, I am most mindful that the new administration has only been in place for a few days

and new or changing policies will likely arise in the weeks and months ahead. Later this spring I will present President Obama's defense budget, and at that time, will be better equipped to discuss the details of his vision for the Department.

On a personal note, I want to thank many of you for your very kind farewell remarks at my last hearing. I assure you, you are no more surprised to see me back than I am. In the months ahead I may need to reread some of those kind comments to remind myself of the warm atmosphere up here as I was departing.

Seriously, I am humbled by President Obama's faith in me and deeply honored to continue to lead the United States military. I thank the committee for your confidence in my leadership and your enduring steadfast support of our military.

My submitted testimony covers a range of challenges facing the Department: North Korea, Iran, proliferation, Russia, China, wounded warrior care, ground force expansion and stress on the force, National Guard, nuclear stewardship, defending space and cyberspace, and wartime procurement. But for the next few minutes I'd like to focus on Afghanistan, Iraq, and defense acquisition.

There is little doubt that our greatest military challenge right now is Afghanistan. The United States has focused more on Central Asia in recent months. President Obama has made it clear that the Afghanistan theater should be our top overseas military priority.

There are more than 40 nations, hundreds of nongovernmental organizations (NGOs), universities, development banks, the United Nations (U.N.), the European Union (EU), NATO, and more, all involved in Afghanistan, all working to help a nation beset by crushing poverty, a thriving drug trade fueling corruption, a ruthless and resilient insurgency, and violent extremists of many stripes, not the least of which is al Qaeda.

Coordination of these international efforts has been difficult, to say the least. Based on our experience, our past experience in Afghanistan and applicable lessons from Iraq, there are assessments underway that should provide an integrated way forward to achieve our goals. As in Iraq, there is no purely military solution in Afghanistan. But it is also clear that we have not had enough troops to provide a baseline level of security in some of the most dangerous areas, a vacuum that has increasingly been filled by the Taliban.

That is why the United States is considering an increase in our military presence in conjunction with a dramatic increase in the size of the Afghan security forces, and also pressing forward on issues like improving civil-military coordination and focusing efforts on the district level.

While this will undoubtedly be a long and difficult fight, we can attain what I believe should be among our strategic objectives—above all, an Afghan people who do not provide a safe haven for al Qaeda, who reject the rule of the Taliban and support the legitimate government they have elected and in which they have a stake.

Of course, it is impossible to disaggregate Afghanistan and Pakistan, given the porous border between them. Pakistan is a friend and partner and it is necessary for us to stay engaged and help

wherever we can. I can assure you that I continue to watch the situation in Pakistan closely.

The SOFA between the United States and Iraq went into effect on January 1. The agreement calls for U.S. combat troops to be out of the Iraqi cities by the end of June and all troops out of Iraq by the end of 2011 at the latest. It balances the interests of both countries as we see the emergence of a sovereign Iraq in full control of its territory.

Provincial elections in just a few days is another sign of progress. The SOFA marks an important step forward in the orderly draw-down of the American presence. It is a watershed, a firm indication that American military involvement in Iraq is winding down.

Even so, I would offer a few words of caution. Though the violence has remained low, there is still the potential for setbacks and there may be hard days ahead for our troops.

As our military presence decreases over time, we should still expect to be involved in Iraq on some level for many years to come, assuming a sovereign Iraq continues to seek our partnership. The stability of Iraq remains crucial to the future of the Middle East, a region that multiple presidents of both political parties have considered vital to the national security of the United States.

As I focused on the wars these past 2 years, I ended up toward the end of last year punting a number of procurement decisions that I believed would be more appropriately handled by my successor and a new administration. As luck would have it, I am now the receiver of those punts, and in this game there are no fair catches.

Chief among the institutional challenges facing the Department is acquisition, broadly speaking how we acquire goods and services and manage the taxpayers' money. There are a host of issues that have led us to where we are, starting with longstanding systemic problems. Entrenched attitudes throughout the government are particularly pronounced in the area of acquisition. A risk-averse culture, a litigious process, parochial interests, excessive and changing requirements, budget churn and instability, and sometimes adversarial relationships within the DOD and between Defense and other parts of the government.

At the same time, acquisition priorities changed from Defense secretary to Defense secretary, administration to administration, and Congress to Congress, making any sort of long-term procurement strategy on which we can accurately base costs next to impossible.

Add to all of this the difficulty in bringing in qualified senior acquisition officials. Over the past 8 years, for example, the DOD has operated with an average percentage of vacancies in key acquisition positions ranging from 13 percent in the Army to 43 percent in the Air Force. Thus the situation we face today, where a small set of expensive weapons programs has had repeated and unacceptable problems with requirements, schedule, cost, and performance. The list spans all the Services.

Since the end of World War II there have been nearly 130 studies on these problems, to little avail. While there is no silver bullet, I do believe we can make headway, and we have already begun addressing these issues. First, I believe that in the fiscal year 2010



budget we must make hard choices. Any necessary changes should avoid across the board adjustments, which inefficiently extend all programs. We must have the courage to make hard choices.

We have begun to purchase systems at more efficient rates for the production lines. I believe we can combine budget stability and order rates that take advantage of the economies of scale to lower costs. We will pursue greater quantities of systems that represent the 75 percent solution instead of smaller quantities of exquisite, 99 percent solution systems.

While the military's operations have become very joint and impressively so, budget and procurement decisions remain overwhelmingly service-centric. To address a given risk, we may have to invest more in the future-oriented program of one service and less in that of another, particularly when both programs were conceived with the same threat in mind.

We must freeze requirements on programs at contract award and write contracts that incentivize proper behavior. I feel that many programs that cost more than anticipated, are built on an inadequate initial foundation. I believe the Department should seek increased competition, use of prototypes, including competitive prototyping, and ensure technology maturity so that our programs are ready for the next phases of development.

Finally, we must restore the Department's acquisition team. I look forward to working with you and the rest of Congress to establish the necessary consensus on the need to have adequate personnel capacity in all elements of the acquisition process. This is no small task and will require much work in the months ahead.

Which brings me to a few final thoughts. I spent the better part of the last 2 years focused on the wars we are fighting today and making sure that the Pentagon is doing everything possible to ensure that America's fighting men and women are supported in battle and properly cared for when they come home. Efforts to put the bureaucracy on a war footing have, in my view, revealed underlying flaws in the institutional priorities, cultural preferences, and reward structures of America's defense establishment. A set of institutions largely arranged to plan for future wars, to prepare for a short war, but not to wage a protracted war.

The challenge we face is how well we can institutionalize the irregular capabilities gained and means to support troops in the theater that have been for the most part developed ad hoc and funded outside the base budget. This requires that we close the yawning gap between the way the defense establishment supports current operations and the way it prepares for future conventional threats. Our wartime needs must have a home and enthusiastic constituencies in the regular budgeting and procurement process, while procurement and preparation for conventional scenarios must in turn be driven more by the actual capabilities of potential adversaries and less by what is technologically feasible given unlimited time and resources.

As I mentioned, President Obama will present his budget later this spring. One thing we have known for many months is that the spigot of defense spending that opened on September 11 is closing. With two major campaigns ongoing, the economic crisis and resulting budget pressures will force hard choices on this Department.

But for all the difficulties we face, I believe this moment also presents an opportunity, one of those rare chances to match virtue to necessity, to critically and ruthlessly separate appetites from real requirements, those things that are desirable in a perfect world from those things that are truly needed in light of the threats America faces and the missions we are likely to undertake in the years ahead.

As I've said before, we will not be able to do everything, buy everything. While we have all spoken at length about these issues, I believe now is the time to take action. I promise you that as long as I remain in this post I will focus on creating a unified defense strategy that determines our budget priorities. This, after all, is about more than just dollars. It goes to the heart of our national security.

I will need help from the other stakeholders, from industry and from you, the Members of Congress. It is one thing to speak broadly about the need for budget discipline and acquisition reform. It is quite another to make tough choices about specific weapons systems and defense priorities based solely on national interests and then to stick to those decisions over time. The President and I need your help, as all of us together do what is best for America as a whole in making those decisions.

I have no illusions that all of this will be solved while I'm at the Pentagon. Indeed, even if I am somewhat successful on the institutional side, the benefits of these changes may not be visible for years. My hope, however, is to draw a line and from here forward make systemic progress to put the Department on a glide path for future success.

I look forward to working with each of you to gain your insight and your recommendations along the way. Once again, I thank you for all you've done to support the DOD and the men and women wearing our Nation's uniform.

I look forward to your questions.

[The prepared statement of Secretary Gates follows:]

PREPARED STATEMENT BY HON. ROBERT M. GATES

Mr. Chairman, Senator McCain, members of the committee:

Thank you for the opportunity to provide an overview of challenges facing the Department of Defense (DOD) and some of my priorities for the coming year. In doing so, I am mindful that the new administration has only been in place for a few days and new or changing policies will likely arise in coming months. Later this spring, I will present President Obama's defense budget, and, at that time, will be better equipped to discuss the details of his vision for the Department.

On a personal note, I want to thank many of you for your very kind farewell remarks at my last hearing. I assure you that you are no more surprised to see me back than I am. In the months ahead, I may need to re-read some of those kind comments to remind myself of the warm atmosphere up here as I was departing. Seriously, I am humbled by President Obama's faith in me, and deeply honored to continue leading the United States military. I thank the committee for your confidence in my leadership and your enduring, steadfast support of the military.

I'd like to start by discussing our current operations before moving on to my ongoing institutional initiatives.

AFGHANISTAN AND PAKISTAN

There is little doubt that our greatest military challenge right now is Afghanistan. The United States has focused more on Central Asia in recent months. President Obama has made it clear that the Afghanistan theater should be our top overseas military priority. The ideology we face was incubated there when Afghanistan be-

came a failed state, and the extremists have largely returned their attention to that region in the wake of their reversals in Iraq. As we have seen from attacks across the globe—on September 11 and afterwards—the danger reaches far beyond the borders of Afghanistan or Pakistan.

There are more than 40 nations, hundreds of nongovernmental organizations, universities, development banks, the United Nations, the European Union, the North Atlantic Treaty Organization (NATO), and more, involved in Afghanistan—all working to help a nation beset by crushing poverty, a thriving drug trade fueling corruption, a ruthless and resilient insurgency, and violent extremists of many stripes, not the least of which is al Qaeda. Coordination of these international efforts has been less than stellar, and too often the whole of these activities has added up to less than the sum of the parts—a concern I'm sure many of you share.

Based on our past experience in Afghanistan—and applicable lessons from Iraq—there are assessments underway that should provide an integrated way forward to achieve our goals.

As in Iraq, there is no purely military solution in Afghanistan. But it is also clear that we have not had enough troops to provide a baseline level of security in some of the most dangerous areas—a vacuum that increasingly has been filled by the Taliban. That is why the U.S. is considering an increase in our military presence, in conjunction with a dramatic increase in the size of the Afghan security forces. Because of the multi-faceted nature of the fight—and because of persistent International Security Assistance Force shortfalls for training teams—all combat forces, whether international or American, will have a high level of counterinsurgency training, which was not always the case.

In the coming year, I also expect to see more coherence as efforts to improve civil-military coordination gain traction—allowing us to coordinate Provincial Reconstruction Teams in a more holistic fashion, both locally and regionally. There will be an increased focus on efforts at the district level, where the impact of both our military and rebuilding efforts will be felt more concretely by the Afghan people, who will ultimately be responsible for the future of their nation.

While this will undoubtedly be a long and difficult fight, we can attain what I believe should be among our strategic objectives: an Afghan people who do not provide a safe haven for al Qaeda, reject the rule of the Taliban, and support the legitimate government that they elected and in which they have a stake.

Of course, it is impossible to disaggregate Afghanistan and Pakistan, given the porous border between them. I do believe that the Pakistani Government is aware of the existential nature of the threat emanating from the federally Administered Tribal Areas. The U.S. military knows firsthand how difficult it is to wage counterinsurgency with a force designed for large-scale, mechanized warfare—a fact complicated by Pakistan's recent tensions with India. Pakistan is a friend and partner, and it is necessary for us to stay engaged—and help wherever we can. I can assure you that I am watching Pakistan closely, and that we are working with State, Treasury, and all parts of the government to fashion a comprehensive approach to the challenges there.

#### IRAQ AFTER STATUS OF FORCES AGREEMENT

The Status of Forces Agreement (SOFA) between the U.S. and Iraq went into effect on January 1. The agreement calls for U.S. combat troops to be out of Iraqi cities by the end of June, and all troops out of Iraq by the end of 2011, at the latest. It balances the interests of both countries as we see the emergence of a sovereign Iraq in full control of its territory. Provincial elections in just a few days are another sign of progress.

The SOFA marks an important step forward in the orderly drawdown of the American presence. It is a watershed—a firm indication that American military involvement is winding down. Even so, I would offer a few words of caution. Though violence has remained low, there is still the potential for setbacks—and there may be hard days ahead for our troops.

As our military presence decreases over time, we should still expect to be involved in Iraq on some level for many years to come—assuming a sovereign Iraq continues to seek our partnership. The stability of Iraq remains critical to the future of the Middle East, a region that multiple presidents of both political parties have considered vital to the national security of the United States.

#### NORTH KOREA, IRAN, AND PROLIFERATION

Beyond these operations, one of the greatest dangers we continue to face is the toxic mix of rogue nations, terrorist groups, and nuclear, chemical, or biological weapons. North Korea and Iran present uniquely vexing challenges in this regard.

North Korea has produced enough plutonium for several atomic bombs; Iran is developing the capabilities needed to support a nuclear weapons program. North Korea's conventional capability continues to degrade as it becomes more antiquated and starved—in some cases literally—for resources and support. Both countries have ballistic missile programs of increasing range and a record of proliferation.

The regional and nuclear ambitions of Iran continue to pose enormous challenges to the U.S. Yet I believe there are non-military ways to blunt Iran's power to threaten its neighbors and sow instability throughout the Middle East. The lower price of oil deprives Iran of revenues and, in turn, makes U.N. economic sanctions bite harder. In addition, there is the growing self-sufficiency and sovereignty of Iraq, whose leaders—including Iraqi Shia—have shown they do not intend for the new, post-Saddam Iraq to become a satrapy of its neighbor to the east. This situation provides new opportunities for diplomatic and economic pressure to be more effective than in the past.

On North Korea, the Six-Party Talks have been critical in producing some forward momentum—especially with respect to North Korea's plutonium production—although I don't think anyone can claim to be completely satisfied with the results so far. These talks do offer a way to curtail and hopefully eliminate its capacity to produce more plutonium or to enrich uranium, and reduce the likelihood of proliferation. Our goal remains denuclearization, but it is still to be seen whether North Korea is willing to give up its nuclear ambitions entirely.

#### RUSSIA AND CHINA

Even as the DOD improves America's ability to meet unconventional threats, the United States must still contend with the challenges posed by the military forces of other countries—from the actively hostile, to rising powers at strategic crossroads. The security challenges faced by other nation-states is real, but significantly different than during the last century.

The Russian invasion of Georgia last year was a reminder that the Russian military is a force to be reckoned with in Eastern Europe and the Caucasus. We should not, however, confuse Russia's attempt to dominate its "near abroad" with an ideologically driven campaign to dominate the globe—as was the case during the Cold War. The country's conventional military, although much improved since its nadir in the late 1990s, remains a shadow of its Soviet predecessor. Saddled with demographic and budget pressures, the Russians have concentrated on improving their strategic and nuclear forces, but recently have begun to devote more attention to their conventional capabilities.

As we know, China is modernizing across the whole of its armed forces. The areas of greatest concern are Chinese investments and growing capabilities in cyber- and anti-satellite warfare, anti-air and anti-ship weaponry, submarines, and ballistic missiles. Modernization in these areas could threaten America's primary means of projecting power and helping allies in the Pacific: our bases, air and sea assets, and the networks that support them.

We have seen some improvement in the U.S.-Chinese security relationship recently. Last year, I inaugurated a direct telephone link with the Chinese defense ministry. Military to military exchanges continue, and we have begun a strategic dialogue to help us understand each other's intentions and avoid potentially dangerous miscalculations.

As I've said before, the U.S. military must be able to dissuade, deter, and, if necessary, respond to challenges across the spectrum—including the armed forces of other nations. On account of Iraq and Afghanistan, we would be hard pressed at this time to launch another major ground operation. But elsewhere in the world, the United States has ample and untapped combat power in our naval and air forces, with the capacity to defeat any adversary that committed an act of aggression—whether in the Persian Gulf, on the Korean Peninsula, or in the Taiwan Strait. The risk from these types of scenarios cannot be ignored, but it is a manageable one in the short- to mid-term.

#### WOUNDED WARRIOR CARE

Apart from the wars in Afghanistan and Iraq, my highest priority as Secretary of Defense is improving the outpatient care and transition experience for troops that have been wounded in combat.

Since February 2007, when we learned about the substandard out-patient facilities at Walter Reed, the Department has implemented a number of measures to improve health care for our wounded, ill, and injured servicemembers. We have acted on some 530 recommendations put forth by several major commissions and the National Defense Authorization Act of 2008. Notable progress includes:

- Working closely with the Department of Veterans Affairs to better share electronic health data and track patients' long-term recovery process;
- Dedication of new facilities, with the help of private partners, such as the national Intrepid Centers in Bethesda, MD, and San Antonio, TX; and
- Improving overall case management through programs such as the Army's "Warrior Transition Units" that shepherd injured soldiers back to their units or help them transition to veteran status.

More than 3,200 permanent cadre are now dedicated to soldiers assigned to warrior transition units, and they have cared for more than 21,000 men and women thus far. I have personally visited these units at Fort Bliss, TX, and Fort Campbell, KY.

Post-traumatic stress disorder (PTSD), traumatic brain injury (TBI), and associated ailments are, and will continue to be, the signature military medical challenge facing the Department for years to come. We have made some strides to reduce the stigma associated with the scars of war, both seen and unseen. For instance, last February, the Army Inspector General identified a disturbing trend: Troops were hesitant to get help for mental health because they were worried about the impact on their security clearance, and perhaps their career. To resolve this problem, we worked with our interagency partners to change "Question 21" on the government security clearance application so that, as a general matter, it excludes counseling related to service in combat, including PTSD. Put simply, mental health treatment, in and of itself, will not be a reason to revoke or deny a security clearance.

We have invested more than \$300 million in research for TBI prevention, diagnosis, treatment, and recovery. The Department created a comprehensive TBI registry and thus now has a single point of responsibility to track incidents and recovery. In the last year, we've added more than 220 new mental-health providers to treatment facilities across the country.

The Services are doing more to address mental health needs. The Marine Corps is, for instance, embedding Operational Stress Control and Readiness teams in front-line units to better channel medical attention to those who need help quickly. All the Services have 24-hour "hot lines" available to troops. Health-care providers are being trained to better identify the first signs of psychological trauma.

We are addressing PTSD and related injuries on a number of fronts and have made much progress. But not every servicemember returning from Iraq and Afghanistan is getting the treatment he or she needs. I believe we have yet to muster and coordinate the various legal, policy, medical, and budget resources across the Department to address these types of injuries.

Considerable work remains as we institutionalize what has been successful and recalibrate what still falls short. The Disability Evaluation System (DES) is a useful example. In November 2007, a pilot program was launched to streamline the DES by providing a VA rating to be used by both DOD and VA. Approximately 900 servicemembers are currently enrolled in the pilot program, and it has enabled us to reduce the time required to determine their disability rating and, more importantly, to alleviate some frustration caused by a needlessly complex process.

Overall, I remain concerned that our wounded warriors are still subjected to a system that is designed to serve the general military beneficiary population—the overwhelming majority of whom have not been injured in combat. Earlier this month, we implemented a policy that allows the Secretaries of the Services to expedite troops through the DES who have combat-related illnesses or injuries that are catastrophic. Nonetheless, we must give serious consideration to how we can better address the unique circumstances facing our servicemembers with combat-related ailments.

As long as I am Secretary of Defense, I will continue to work to improve treatment and care for every single wounded warrior.

#### GROUND FORCE EXPANSION AND STRESS ON THE FORCE

In an effort to meet our Nation's commitments and relieve stress on our force and their troops' families, the Department continues to expand the end strength of the Army and Marine Corps—growth that began in 2007 and will continue for several years.

The Army exceeded both recruiting and retention goals for fiscal year 2008, and is on path to achieve its goal of an active duty end strength of 547,400 by the end of this fiscal year. It will continue to increase the number of active Army Brigade Combat Teams (BCTs) with a goal of moving from 40 to 42 BCTs this year and towards an end goal of 48 BCTs.

Despite having fallen 5 percent short of its retention goal, the Marine Corps is on track to meet its end strength goal of 202,000 by the end of this fiscal year.

In all, the Army and Marine Corps are undergoing the largest increase to their active ranks in some four decades. The expectation is that, with a larger total force, individual troops and units will, over time, deploy less frequently with longer dwell times at home. The goal for the Army is 3 years off for every year of deployment. The expected reduction of American troops in Iraq could be offset by proposed increases in Afghanistan, so it may take some time before we reach that goal. The Services are carefully managing their growth to ensure that it is consistent with the high standards expected from an All-Volunteer Force.

#### NATIONAL GUARD

As a result of the demands of Iraq and Afghanistan, the role of the National Guard in America's defense has transformed from being a Strategic Reserve to being part of the pool of forces available for deployments.

In view of the National Guard's growing operations and homeland security responsibilities, and to elevate the Guard in deliberations over policy and budget, I am pleased to say that the chief of the National Guard Bureau is now a full general. Another senior Guard officer recently became Northern Command's Deputy Commander, also a historic first that I hope will pave the way for a Guard officer to one day head that command.

One of the challenges we face is to see that, to the extent possible, the Guard's critical domestic responsibilities do not suffer as a result of its operational missions. The demand for Guard support of civil authorities here at home remains high: For example, the "man-days" that Guardsmen have spent fighting fires, performing rescue and recovery, and other duties increased by almost 60 percent in 2008 as compared to 2007.

With the support of Congress, the Department has substantially increased support for America's Reserve component—the Guard and Reserves—which for decades had been considered a low priority for equipment, training, and readiness. Today, the standard is that the Guard and Reserves receive the same equipment as the active Force. For fiscal year 2009, the base budget request included \$6.9 billion to continue to replace and repair the National Guard's equipment.

The panel created by Congress 4 years ago, the Punaro commission, has been a useful spur to the Department's efforts to ensure that both Reserve components are better trained, manned, and equipped for this new era. We have taken, or are taking, action on more than 80 percent of the commission's recommendations.

For example, the panel suggested a combined pay and personnel system to fix problems stemming from the shift from the Reserve pay system to the active Duty pay system. The Department is now launching that integrated system.

Since taking this post I have tried to ease, to the extent possible, the stress on our Reserve components by implementing mobilization policies that are more predictable and conducive to unit cohesion. We have provided greater predictability as to when a Guard member will be deployed by establishing a minimum standard of 90 days advance notice prior to mobilization. In practice, on average, the notification time is about 270 days.

There is no longer a 24-month lifetime limit on deployment, but each mobilization of National Guard and Reserve troops is now capped at 12 months. The goal is 5 years of dwell time for 1 year deployed. We have made progress towards this goal but are not there yet. For example, the ratio of dwell time to mobilization for the Army National Guard this fiscal year is just over three to one.

Reliance upon the Reserve component for overseas deployment has declined over time. For example, the percentage of Army soldiers serving in Iraq and Afghanistan who are guardsmen or reservists is about half what it was in summer 2005.

#### NUCLEAR STEWARDSHIP

I continue to believe that as long as other nations have nuclear weapons, the U.S. must maintain an arsenal of some level. The stewardship of that arsenal is perhaps the military's most sensitive mission—with no margin for error.

That there should be any question in that regard is why recent lapses in the handling of nuclear weapons and material were so grave. They were evidence of an erosion in training, expertise, resources, and accountability in this critical mission. They brought severe consequences, starting at the unit level and reaching up to the top leadership of the Air Force.

Nonetheless, despite the shortcomings of the past, I do believe the U.S. nuclear deterrent remains safe, secure, and reliable. The Air Force has taken significant steps to improve its nuclear stewardship by:

- Streamlining the inspection process for nuclear material to ensure that it is all handled properly;

- Standing up a new headquarters office—Strategic Deterrence and Nuclear Integration—that concentrates on policy oversight and staff integration for nuclear programs. The office’s leader reports directly to the Air Force chief of staff;
- Creating a Global Strike Command, which has brought all of the Air Force’s nuclear-capable bombers and Intercontinental Ballistic Missiles under one entity; and
- Reassigning the supply chain for nuclear programs to the complete control of the Nuclear Weapons Center at Kirtland Air Force Base, which is being overhauled and expanded.

A task force headed by former Energy and Defense Secretary James Schlesinger has now reported that it has identified many trends, both recent and long-term, that may warrant corrective action. Among its recommendations:

- A new Assistant Secretary of Defense for deterrence to oversee nuclear management; and
- Develop and maintain a strategic roadmap to modernize and sustain our nuclear forces.

I will be evaluating all of the Schlesinger Commission recommendations along with the new Service Secretaries and Defense team.

#### DEFENDING SPACE AND CYBERSPACE

The full spectrum of U.S. military capabilities on land, sea, and air now depend on digital communications and the satellites and data networks that support them. Our communications, navigation, weather, missile warning, surveillance, and reconnaissance systems rely on unfettered access to space. At the same time, more nations—about 60 in all—are active in space, and there are more than 800 satellites in orbit. The importance of space defense was highlighted during my first year in this job when the Chinese successfully tested an anti-satellite weapon.

In an effort to maintain our technological edge and protect access to this critical domain, we will continue to invest in joint space-based capabilities such as infrared systems and global positioning systems. Air Force Space Command has nearly 40,000 personnel dedicated to monitoring space assets and is training professionals in this career field.

With cheap technology and minimal investment, current and potential adversaries operating in cyberspace can inflict serious damage to DOD’s vast information grid—a system that encompasses more than 15,000 local, regional, and wide-area networks, and approximately 7 million information technology devices. DOD systems are constantly scanned and probed by outside entities, but we have developed a robust network defense strategy. We will continue to defend our systems against network attacks, intrusions, and other incidents.

It is noteworthy that Russia’s relatively crude ground offensive into Georgia was preceded by a sophisticated cyber attack. The massive cyber attack suffered by Estonia in 2007, which I discussed with our partners during a recent visit there, illustrates how quickly malicious hackers can bring even a technologically-sophisticated government to a standstill. To learn from this experience and share technological know-how, the U.S. Government is co-sponsoring the NATO Cooperative Cyber Defense Center of Excellence.

#### WARTIME PROCUREMENT

When we are at war, I believe the overriding priority of the DOD and military Services should be to do everything possible to provide troops in the field everything they need to be successful. To place our defense bureaucracies on a war footing with a wartime sense of urgency, I have accelerated procurement of a number of capabilities, notably:

- Intelligence, surveillance, and reconnaissance (ISR)—specifically, Unmanned Aerial Systems (UASs); and
- Mine Resistant Ambush Protected (MRAP) vehicles.

UASs have become one of the most critical capabilities in our military. They give troops the tremendous advantage of seeing full-motion, real-time, streaming video over a target—such as an insurgent planting an improvised explosive device (IED). Last April, I launched a Department-wide taskforce to speed additional UASs to theater and to ensure we were getting maximum use out of the assets already there. Since then, the Air Force has:

- Increased Predator air patrols by nearly 30 percent;
- Opened a second school to train personnel on UASs;
- Created a career track for UASs; and

- For the first time, allowed non-rated officers to operate UASs.

We've also seen how relatively low cost, off-the-shelf technology can have a huge impact on the battlefield. The Army's Task Force Odin resulted in a dramatic increase in the amount of full-motion video available to commanders in Iraq. We are in the process of trying to replicate those successes in Afghanistan. As part of the effort to increase ISR, we are fielding more than 50 turboprop aircraft outfitted with sensors.

In Iraq, the majority of our combat deaths and injuries have been a result of roadside bombs, IEDs, and explosively-formed penetrators. The casualty rate from an attack on an MRAP vehicle is less than one-third that of Humvees, and less than half that of an Abrams tank. In May 2007, I directed the Department to make MRAP vehicles our top acquisition priority, and, with extraordinary help from Congress, the Department has sent more than 12,000 MRAP vehicles to theater. The Army is currently developing a lighter version of the MRAP vehicle better suited for the difficult terrain of Afghanistan.

The MRAP vehicle and ISR experiences raise a broader concern about wartime acquisition. In the past, modernization programs have sought a 99 percent solution over a period of years, rather than a 75 percent solution over a period of weeks or months. Rather than forming ad hoc groups to field capabilities like UASs and MRAP vehicles, we must figure out how to institutionalize procurement of urgently-needed resources in wartime.

One option is to continue to spin out components of large-scale, long-term modernization projects in real time for early field testing and use in ongoing operations, then fold the results into longer-term product development. We are doing so in Afghanistan and Iraq with Small Unmanned Ground Vehicles, a component the Army's Future Combat Systems (FCSs) used to clear caves, search bunkers, or cross minefields. Such field testing ensures that a program like FCS—whose total cost could exceed \$200 billion if completely built out—will continue to demonstrate its value for both conventional and unconventional scenarios.

#### DEFENSE ACQUISITION

As I focused on the wars these past 2 years, I ended up punting a number of procurement decisions that I believed would be more appropriately handled by my successor and a new administration. Well, as luck would have it, I am now the receiver of those punts—and in this game there are no fair catches.

Chief among institutional challenges facing the Department is acquisitions—broadly speaking, how we acquire goods and services and manage the taxpayers' money. Congress, and this committee in particular, have rightly been focused on this issue for some time. The economic crisis makes the problem even more acute. Allow me to share a few general thoughts.

There are a host of issues that have led us to where we are, starting with long-standing systemic problems:

- Entrenched attitudes throughout the government are particularly pronounced in the area of acquisition: a risk-averse culture, a litigious process, parochial interests, excessive and changing requirements, budget churn and instability, and sometimes adversarial relationships within the DOD and between DOD and other parts of the government.
- At the same time, acquisition priorities have changed from Defense Secretary to Defense Secretary, administration to administration, and Congress to Congress—making any sort of long-term procurement strategy on which we can accurately base costs next to impossible.
- Add to all of this the difficulty in bringing in qualified senior acquisition officials. Over the past 8 years, for example, the DOD has operated with an average percentage of vacancies in the key acquisition positions ranging from 13 percent in the Army to 43 percent in the Air Force.

Thus the situation we face today, where a small set of expensive weapons programs has had repeated—and unacceptable—problems with requirements, schedule, cost, and performance.

While the number of overturned procurements as a result of protests remains low in absolute numbers—13 out of more than three and a half million contract actions in fiscal year 2008—highly publicized issues persist in a few of the largest programs. The same is true of cost over-runs, where five programs account for more than half of total cost growth. The list of big-ticket weapons systems that have experienced contract or program performance problems spans the Services: the Air Force tanker, CSAR-X, VH-71, Osprey, FCS, Armed Reconnaissance Helicopter, Littoral Combat Ship, Joint Strike Fighter, and so on.



Since the end of World War II, there have been nearly 130 studies on these problems—to little avail. I mention all this because I do not believe there is a silver bullet, and I do not think the system can be reformed in a short period of time—especially since the kinds of problems we face date all the way back to our first Secretary of War, whose navy took three times longer to build than was originally planned at more than double the cost.

That said, I do believe we can make headway, and I have already begun addressing these issues:

- First, I believe that the fiscal year 2010 budget must make hard choices. Any necessary changes should avoid across-the-board adjustments, which inefficiently extend all programs.
- We have begun to purchase systems at more efficient rates for the production lines. I believe we can combine budget stability and order rates that take advantage of economies of scale to lower costs.
- I will pursue greater quantities of systems that represent the “75 percent” solution instead of smaller quantities of “99 percent,” exquisite systems.
- While the military’s operations have become very joint—and impressively so—budget and procurement decisions remain overwhelmingly service-centric. To address a given risk, we may have to invest more in the future-oriented program of one service and less in that of another service—particularly when both programs were conceived with the same threat in mind.
- We must freeze requirements on programs at contract award and write contracts that incentivize proper behavior.
- I feel that many programs that cost more than anticipated are built on an inadequate initial foundation. I believe the Department should seek increased competition, use of prototypes, and ensure technology maturity so that our programs are ready for the next phases of development.
- Finally, we must restore the Department’s acquisition team. I look forward to working with Congress to establish a necessary consensus on the need to have adequate personnel capacity in all elements of the acquisition process. On that note, I thank you for continuing to give us the funding, authorities, and support to sustain our growth plan for the defense acquisition workforce.

#### CONCLUSION

As we look ahead to the important work that we have in front of us, I would leave you with the following thoughts.

I have spent the better part of the last 2 years focused on the wars we are fighting today, and making sure that the Pentagon is doing everything possible to ensure that America’s fighting men and women are supported in battle and properly cared for when they return home.

Efforts to put the bureaucracy on a war footing have, in my view, revealed underlying flaws in the institutional priorities, cultural preferences, and reward structures of America’s defense establishment—a set of institutions largely arranged to plan for future wars, to prepare for a short war, but not to wage a protracted war. The challenge we face is how well we can institutionalize the irregular capabilities gained and means to support troops in theater that have been, for the most part, developed ad hoc and funded outside the base budget.

This requires that we close the yawning gap between the way the defense establishment supports current operations and the way it prepares for future conventional threats. Our wartime needs must have a home and enthusiastic constituencies in the regular budgeting and procurement process. Our procurement and preparation for conventional scenarios must, in turn, be driven more by the actual capabilities of potential adversaries, and less by what is technologically feasible given unlimited time and resources.

The choices we make will manifest themselves in how we train, whom we promote, and, of course, how we spend. As I mentioned, President Obama will present his budget later this spring. One thing we have known for many months is that the spigot of defense funding opened by September 11 is closing. With two major campaigns ongoing, the economic crisis and resulting budget pressures will force hard choices on this department.

But for all the difficulties we face, I believe this moment also presents an opportunity—one of those rare chances to match virtue to necessity. To critically and ruthlessly separate appetites from real requirements—those things that are desirable in a perfect world from those things that are truly needed in light of the

threats America faces and the missions we are likely to undertake in the years ahead.

As I've said before, we will not be able to "do everything, buy everything." While we have all spoken at length about these issues, I believe now is the time to take action. I promise you that as long as I remain in this post I will focus on creating a unified defense strategy that determines our budget priorities. This is, after all, about more than just dollars: It goes to the heart of our national security.

I will need help from the other stakeholders—from industry, and from you, the Members of Congress. It is one thing to speak broadly about the need for budget discipline and acquisition reform. It is quite another to make tough choices about specific weapons systems and defense priorities based solely on national interests, and then to stick to those decisions over time. The President and I need your help as all of us together do what is best for America as a whole in making those decisions.

I have no illusions that all of this will be solved while I am at the Pentagon. Indeed, even if I am somewhat successful on the institutional side, the benefits of these changes may not be visible for years. My hope, however, is to draw a line and make systemic progress—to put the Department on a glide path for future success.

I look forward to working with each of you to gain your insight and recommendations along the way. Once more, I thank you for all you've done to support the DOD and the men and women wearing our Nation's uniform.

I look forward to your questions.

Chairman LEVIN. Thank you, Mr. Secretary.

We're going to have a 6-minute round of questions. We have a lot of members here. I don't know that we'll be able to get to a second round. That's going to depend on how quickly the first round goes. But we'll have to limit the first round to 6 minutes.

Mr. Secretary, what is the relationship between the speed of our force drawdown in Iraq and the speed of our force increase in Afghanistan? Let me put it another way more specifically. What is the earliest that a first, second, third, and fourth additional combat brigade can deploy to Afghanistan, and why is this driven by our force rotation strategy in Iraq?

Secretary GATES. Mr. Chairman, at this point I think that we are actually in a position to address most of General McKiernan's requirements in the relatively near future. Should the President make the decision to, the final decision to deploy additional brigades to Afghanistan, we could have two of those brigades there probably by late spring and potentially a third by mid-summer.

Quite honestly, in terms of the remaining requests that he has, the infrastructure requirements that are needed in Afghanistan, to be able to support and sustain a force that size would probably make it not possible for us to deploy them before they would be ready in any event later this year.

Chairman LEVIN. Thank you.

The SOFA with Iraq requires that U.S. forces withdraw from Iraqi cities and towns by the end of June. Approximately how many of the 140,000 troops that we have in Iraq are affected by that repositioning requirement?

Secretary GATES. I don't know the answer to that, Mr. Chairman. I'll get it for you.

[The information referred to follows:]

The Status of Forces Agreement (SOFA) requires that combat forces withdraw from Iraqi cities and towns by the end of June. Withdrawing U.S. combat forces from Iraqi cities will impact approximately 13,000 U.S. troops.

In order to comply with that provision in the SOFA, as well as other provisions related to forces and basing, the United States and Iraq have established two joint subcommittees within the SOFA committee framework: the Joint Subcommittee for Agreed Facilities and Areas and the Joint Subcommittee for Military Operations,

Training and Logistics to negotiate, among other items, specific procedures for the turnover of bases and the repositioning of U.S. forces. Because those negotiations are ongoing, it has not yet been determined precisely how many U.S. forces or which bases will be affected by the requirement to reposition forces.

We have been working and will continue to work with the Government of Iraq (GOI) to ensure full compliance with all provisions of the SOFA, including the requirement to remove combat forces from cities and towns within the prescribed timeline. While those negotiations are ongoing, U.S. forces have already begun closing some bases and turning others over to the GOI, including some bases that previously held U.S. forces within Iraqi cities and towns. We are ahead of schedule to meet the 30 June 2009 deadline for combat forces to be out of urban areas, and working on an agreement with the GOI on which bases and forces may remain in those areas.

Since December 2008, Multi-National Corps-Iraq (MNC-I) has either closed or returned 11 bases, comprising 30 percent of the 37 bases that MNC-I identified in urban areas. This ongoing effort will impact approximately 13,000 U.S. troops. The remaining 26 bases to close or return remain on schedule with no issues identified to meet the June 2009 deadline.

*Supporting information:*

At risk bases in December 2008: 32 × Contingency Operating Locations, 5 × Contingency Operation Sites

Thru 28 Feb 09 - Close/transferred 11 bases - impacting ~4,000 troops

*Remaining bases:*

MND-N - 13 bases and ~3,800 troops

MND-B - 10 bases and ~3,500 troops

MNID-C - 1 base and ~200 troops

MND-SE - 1 base and 1 facility and ~100 troops

MNF-W - 1 base and ~200 troops

Total estimated troop impact = ~13,000 troops

Chairman LEVIN. Mr. Secretary, last month, December 9, I sent you two letters regarding proposed contracts that seem to pave the way for a significant increase in the use of private security contractors (PSCs) in Afghanistan. I expressed concern in those letters about these steps and I laid out a number of those concerns: the extent to which the use of deadly force to protect government facilities and personnel should be an inherently governmental function that should not be performed by contractors; the requirement for proper oversight and supervision of PSCs; what are the rules applicable under the law of war to PSCs who exercise deadly force?

I urged you not to enter those contracts until those questions and other questions had been resolved. I haven't received an answer yet to those letters, but let me ask some of the questions here this morning.

Do you intend to conduct the requested review of the appropriate use of PSCs in a battlefield situation before those contracts are entered into?

Secretary GATES. We will probably be doing them simultaneously, Mr. Chairman. We have the need for these protective capabilities in Afghanistan. They guard convoys, they guard some of our facilities. Frankly, until we can get additional U.S. troops into Afghanistan these capabilities are necessary. We are creating the supervisory structure in Iraq that we developed over the course of the last year—I'm sorry, in Afghanistan, that we developed over the course of the last year or so, in Iraq to ensure that the commander on the field sets the guidelines and the rules for the employment of these security forces.

I would say that, of all the security forces, contract security forces in Afghanistan at this point, I think only nine are U.S. citizens. The rest or almost all the rest are Afghans.

Chairman LEVIN. If we could get quick answers to those letters of mine, I'd appreciate it.

[The information referred to follows:]



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

FEB 17 2009

The Honorable Carl Levin  
Chairman, Committee on Armed Services  
United States Senate  
Washington, DC 20510-6050

Dear Mr. Chairman:

Thank you for your December 9, 2008, letter citing a December 8, 2008, *Washington Post* article that stated that the U.S. Army is "looking to private contractors to provide armed security guards to protect Forward Operating Bases in seven provinces in southern Afghanistan." In your December 19, 2008, follow-up letter, you asked the Department to direct the Army to suspend its efforts to award contracts for these services, pending a review by the Department and the incoming Administration.

I understand your concerns regarding the appropriate roles of security contractors. However, the U.S. Central Command (USCENTCOM) assessment is that the use of contractor security personnel is vital to supporting the Forward Operating Bases in certain parts of the country and in continuing our efforts to employ local nationals whenever possible. Approximately 3,806 of the 3,847 (98.9%) contractor security personnel in Afghanistan are local/host country nationals, while only 9 are U.S. citizens (USCENTCOM Contractor Census, October 31, 2008). Therefore, I have decided not to delay the contract, which was awarded in January 2009.

In your December 19, 2008 letter, you expressed concern over another *Washington Post* article indicating that the Army is seeking bids for an American firm "to manage oversight of private security companies in Afghanistan." My staff's detailed analysis of the solicitation revealed the proposed contract will be to provide administrative support services to the Armed Contractor Oversight Directorate, which was established by the Combined Joint Task Force - Operation Enduring Freedom (CJTF-101) and has four Field Grade Officers assigned, including an O-6 director. Contractor personnel will have no direct input into daily operations, force protection, or combat operations. Only government personnel will perform oversight duties with respect to private security contractors.

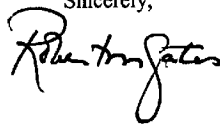
Finally, you also expressed concerns regarding the appropriate role of private security contractors with respect to: (a) inherently governmental functions; (b) rules applicable under the law of war; (c) responsiveness of private security contractors to the military chain of command; and (d) U.S./Afghan legal jurisdiction. We believe that our



planned use of private security contractors in Afghanistan is consistent with existing U.S. Government law and policy on inherently governmental functions. I further understand that a variety of statutory and administrative procedures are in place to ensure the legal requirements are met. However, it is clear to me that the Department must continually demonstrate that the use of contractors on the battlefields of Iraq and Afghanistan is governed by proper policies, practices and oversight. Accordingly, I will task the Under Secretary of Defense for Acquisition, Technology and Logistics to conduct a thorough review of those matters to ensure we are using contractors properly and in keeping with applicable legal and policy guidelines.

We will keep you apprised as this process moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Gates". The signature is fluid and cursive, with the first name "Robert" and last name "Gates" being the most prominent parts.

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United States Senate  
 COMMITTEE ON ARMED SERVICES  
 WASHINGTON, DC 20510-6050

December 9, 2008

The Honorable Robert Gates  
 Secretary of Defense  
 The Pentagon  
 Washington, D.C.

Dear Secretary Gates:

On December 8, 2008, the *Washington Post* reported that "[t]he U.S. Army is looking to private contractors to provide armed security guards to protect Forward Operating bases in seven provinces in southern Afghanistan." According to the *Washington Post* article, the private contractors would not only guard the bases, but would also be available to "protect supply routes, facilities, convoys and property." The guards would be required to employ "the appropriate force to neutralize any threat" and would be armed "'at a minimum' with AK-47s and 120 rounds of ammunition with four magazines that have 30-round capacity." The proposed contracts would run for a minimum of one year, beginning on January 1, 2009, with additional annual options.

We understand the difficulty of providing for the security of Department of Defense facilities in Afghanistan with the limited forces currently available for that purpose. However, the proposed contract would appear to dramatically expand the use of private security contractors in Afghanistan. The extensive use of private security contractors in Iraq has resulted in widespread abuses, including the September 2007 shooting incident in Baghdad, which resulted in the recent indictment of five Blackwater employees.

The proposed expanded use of private security contractors in Afghanistan raises serious questions about the appropriate roles of private security contractors, including: the extent to which the use of deadly force to protect government facilities and personnel is an inherently governmental function that should not be performed by contractors; the steps that must be taken to ensure proper oversight and supervision of private security contractors; the rules applicable under the law of war to private security contractors who exercise deadly force; the

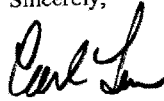
responsiveness of private security contractors to the military chain of command; and U.S. and Afghan jurisdiction over any crimes that may be committed by such contractors.

As you know, Congress expressed its views about some of these issues in section 832 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009. That provision states, in relevant part, that: "security operations for the protection of resources (including people, information, equipment, and supplies) in uncontrolled or unpredictable high-threat environments should ordinarily be performed by members of the Armed Forces if they will be performed in highly hazardous public areas where the risks are uncertain and could reasonably be expected to require deadly force that is more likely to be initiated by personnel performing such security operations than to occur in self-defense." The provision states the view that it is the Department's responsibility to ensure that "the United States Armed Forces have appropriate numbers of trained personnel" to perform these functions "without the need to rely upon private security contractors."

We believe that these issues merit serious review at the top levels of the Department of Defense and by the incoming Administration before the Army proceeds with the proposed expansion in the use of private security contractors in Afghanistan. Accordingly, we ask that you direct the Army to suspend its efforts to enter the proposed contract until such a review can take place.

Thank you for your consideration of this important matter.

Sincerely,



Carl Levin  
Chairman

The Wall Street Journal reported this morning that the U.S. military has come into conflict with PSCs in Afghanistan, Afghan-hired companies, on a number of occasions. According to the article, these PSCs have generally been hired either by Afghan authorities or by private companies, and that some of the employees may actually be taking orders from Taliban forces.

How serious a problem do you think this is?

Secretary GATES. This is the first I've heard of it, Mr. Chairman. Let me check into it.

[The information referred to follows:]

[Deleted.]

Chairman LEVIN. Thank you.

Last week, the Pakistan Foreign Ministry issued a statement calling U.S. missile strikes on population territory counter-productive and requesting that they be discontinued. What's your reaction to that?

Secretary GATES. I think that the strikes that are being undertaken are—well, let me just say both President Bush and President Obama have made clear that we will go after al Qaeda wherever al Qaeda is, and we will continue to pursue that.

Chairman LEVIN. Has that decision been transmitted to the Pakistan Government?

Secretary GATES. Yes, sir.

Chairman LEVIN. Secretary Gates, some time ago, I think it was end of 2007, you had discussions with your Russian counterpart on proposals for missile defense cooperation, at least the possibilities of that cooperation, and certain proposals were formulated with the assistance of your Department, that were then presented to Russia.

Would you support further exploration with the Russians of a possible cooperative arrangement in the area of missile defense?

Secretary GATES. Sure. I think that there's real potential there. I've outlined it to, first to President Putin and subsequently to President Medvedev. I think there are some real opportunities here. Russia is clearly not the target of our missile defense endeavors. Iran is. We have a mutual concern there. I think the Russians have an unrealistic view of the time line when an Iranian missile with the range to attack much of Russia and much of Europe will be available. But I am very open to the idea of pursuing further cooperation on missile defense with Russia.

Chairman LEVIN. Is that also the position of the Obama administration as far as you know?

Secretary GATES. Frankly, the subject has not been discussed as far as I know. I expect it'll be on the agenda here pretty soon.

Chairman LEVIN. I had a very brief discussion with the Secretary, the new Secretary of State, on this subject and I think her thoughts are very similar to yours, and I think that's good news.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

Mr. Secretary, how large do you believe the ANA should be?

Secretary GATES. Well, we have, working with the Afghans, have just agreed to an increase in the size of the Afghan army from a nominal 80,000 to 134,000. I'm not sure that even that number will be large enough, but I believe that our highest priority needs to be increasing the size of that army and training, and that army. I think we have money in the budget, in the budget submissions that we have made, that would help us accelerate that growth.

Senator MCCAIN. That's a vital ingredient in any comprehensive strategy for success in Afghanistan, a dramatically increased Afghan army.

Secretary GATES. I couldn't agree more, Senator McCain.

I think that, as I've told our European allies, ultimately a strong ANA and a capable, reasonably honest ANP represents the exit ticket for all of us.

Senator MCCAIN. Do you agree with the facts on the ground that in Helmand and Kandahar Province the Taliban basically operates fairly freely?

Secretary GATES. I must confess, Senator, that I get different readings on the freedom of action that they have and the success that they have between analysts here in Washington and what I hear when I go into the field. When I visited Kandahar late



last year, all of the commanders in Regional Command-South (RC-South) told me: "The situation here is no worse; it's just different."

I'm not quite sure entirely what that means, but I believe that the relatively open border that the chairman talked about and the ability of not just the Taliban, but other insurgent groups, to cross that border easily have created an environment in which the Taliban have greater freedom of action than they've had in the last couple of years.

Senator MCCAIN. I think it's indicated by the charts that map out the increases in attacks, particularly along the Ring Road, that the Taliban attacks have been significantly increased, particularly over the last 2 or 3 years. Do you have any evidence that there are more or fewer Iranian-made weapons or explosively-formed penetrator components going into Iraq?

Secretary GATES. My impression from the intelligence that I have seen is that there is some modest increase, but overall the number of Iranian weapons going into Afghanistan remains at a relatively small level.

Senator MCCAIN. What can you tell us about Iranian involvement in Afghanistan?

Secretary GATES. I think the Iranians are trying to have it both ways, to cultivate a close relationship with Afghanistan and the Afghan Government for both political and economic reasons and at the same time impose the highest possible costs on ourselves and on our coalition partners.

Senator MCCAIN. How serious is the issue of corruption in the Afghan Government and society?

Secretary GATES. It is a very serious problem.

Senator MCCAIN. It reaches the highest levels of government?

Secretary GATES. I don't know about the highest levels of government, but it certainly reaches into high levels of government.

Senator MCCAIN. We won't be able—

Secretary GATES. But it actually is as much the pervasiveness as it is the level of officials that are involved in the corruption that I think is a concern.

Senator MCCAIN. We agree we won't be able to achieve our goals in Afghanistan without addressing the drug problem?

Secretary GATES. I think that's right, and I think that that was one of the reasons why at the defense ministerial last December Minister Wardak, on behalf of the Afghan Government, requested NATO's help in going after the drug lords and the rules of engagement (ROE) for those NATO nations willing to participate. He said that where there's a link between drug lords and drug labs and support for the Taliban that their troops were authorized to go after them both.

Senator MCCAIN. Thank you.

Do you have all the legislative authorities you require to go after the drug labs and the drug lords in Afghanistan?

Secretary GATES. We have changed our own ROE just in recent weeks to try and make sure that our commanders have that authority. I think we ought to let it play out for a few months and if we find that we need legislative help we'll be right up here asking for it.

Senator MCCAIN. Do you believe we can count on the Afghan central government to seriously address the drug problem during the upcoming election period?

Secretary GATES. Probably not.

Senator MCCAIN. Is it going to take some pretty careful balancing of withdrawals from Iraq and at the same time a buildup in Afghanistan to prevent a very difficult stress on our combat troops?

Secretary GATES. It does require a careful balancing, but I think we are on the right path. The estimates that I've been given are that by the end of fiscal year 2009 we should be in a position where our brigade combat teams have a year deployed and 15 months at home, in fiscal year 2010 a year deployed, 2 years at home, and by fiscal year 2011 a year deployed, 30 months at home.

So I think we're on the right track. The next few months will continue to be hard. The last units that have the 15 month deployments will be coming home I think by late spring or early summer.

Senator MCCAIN. I thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator McCain.

Senator Lieberman.

Senator LIEBERMAN. Thanks, Mr. Chairman.

Thank you, Secretary Gates. Welcome back. Thanks for coming back.

I'd like to begin with a few questions about Iraq. I appreciate what you said in your opening statement, that we've taken important steps forward in the orderly drawdown of the American presence, that American military involvement is winding down. Even so, words of caution. There's still the potential for setbacks. This is not an irreversible situation.

I know that last week President Obama convened the NSAs and there was discussion about the pace of withdrawal. I gather that you have been charged, along with our military leaders, to consider various options for withdrawal from Iraq. Could you describe those to the committee?

Secretary GATES. Well, I would just say that there is—we are working on a range of options for the President that range from a withdrawal of—essentially, a completion of the work of the brigade combat teams and a translation to an assist and advisory role, beginning in 16 months and then at various intervals proceeding further forward from that. We're drawing those out for him along with the risks attendant to each.

Senator LIEBERMAN. So my interpretation of your comments is that the plans range from the 16 months where there would be no combat forces left in Iraq to an outer point at the end of 2011, corresponds with the end of the SOFA?

Secretary GATES. Yes, we're looking at all of those.

Senator LIEBERMAN. Previously, many of us on this committee urged you and others to give a lot of attention and respect with regard to decisions of action in Iraq to the commanders on the ground. I assume, but I wanted to ask you, that General Odierno will have a significant part of the discussion of the various options for withdrawal from Iraq?

Secretary GATES. Senator, it's been my approach since I took this job that on all these major decisions I believe it is important for the President to hear directly from his senior military commanders. So in every one of these decisions I have structured a process so that the President hears from the ground commander, who would be General Odierno, the Central Command (CENTCOM) Commander, General Petraeus in this case, and the Joint Chiefs of Staff, and then from the Chairman and myself.

President Obama has agreed to that same kind of approach. I think you've read in the newspapers he's coming over to the Pentagon tomorrow to meet with the Chiefs. So I believe the President will have had every opportunity to hear quite directly from his commanders about what they can accomplish and what the attendant risks are under different options.

Senator LIEBERMAN. That's very reassuring. I thank you for that.

Let me ask a quick question or two about Afghanistan. Clearly one of the lessons we all learned, as your testimony indicates this morning, is that there's no purely military solution to these kinds of conflicts, Iraq or Afghanistan, and one of the great prefaces to our success in Iraq was the development of a nationwide civil-military plan. It's my impression from my last trips to Afghanistan, twice last year, that there still is no nationwide joint civil-military plan in Afghanistan. Am I right about that, and if so why, and when can we expect one?

Secretary GATES. Well, I think that part of the problem that we face in Afghanistan is also a reflection of our success. That is the number of partners that we have. As I mentioned in my testimony, we have 40 some countries, the U.N., the EU, NATO, hundreds of NGOs. So there are a lot of people trying to help Afghanistan come out right. But figuring out how to coordinate all of that and then how to coordinate it with the military operations is a very complex business, and I think a lot of the reviews that have been going on toward the end of the last administration and now under this administration is to figure out how do we get at that problem.

Our hope had been that—and I must say still has to be—that the U.N. Senior Special Representative, Ambassador Kai Eide, is perhaps in the best position to do this and finally, after long delays, he has begun to get both the financial and human resources from the U.N. that would enable him to do this.

We're also trying an experiment in RC-South where all of the Nations who are participating in the security operations in RC-South have committed to build a civil-military cell in the headquarters of RC-South that would have civilian representatives from each of our Governments, where there could be better coordination of the civilian-military operations.

So I think we're going to have to experiment with some of these things. But unlike in Iraq, where Ambassador Crocker and General Petraeus were essentially able to put together an integrated strategy because we were doing most of the work, the situation is much more complex in Afghanistan.

Senator LIEBERMAN. But you would say that ideally we should be moving toward a unified and joint civil-military plan for the whole country in Afghanistan?

Secretary GATES. Absolutely.

Senator LIEBERMAN. A final question, very different. We're obviously focused very much on an economic stimulus program here in Congress now. We're looking directly at infrastructure spending around the country because it's so-called "shovel-ready," creates jobs and moves throughout the economy. There has been discussion about whether some defense projects might also fit into that. The standard that President Obama has laid out creates jobs, would be quick to go into the economy, and be consistent with national goals.

I'm wondering how you feel about that. I'm not thinking about getting into controversial programs, but things we're going to have to spend money on anyway over the next 5, 6, or 7 years. Should we be thinking about accelerating investments in those programs now?

Secretary GATES. We were asked to make a submission to the White House of programs that fell within the guidelines of being able to be started within a matter of months. We have given them some suggestions in terms of military hospitals, clinics, barracks, some child care centers, and things like that, where we think the work could begin right away or is already underway and could be accelerated.

Senator LIEBERMAN. Well, I appreciate that. I hope that we on the Senate side—I know in the House the number of military projects in the stimulus is small relative to the size of the package, and I hope we'll take another look at your list and see if we can add some more.

Thank you very much.

Chairman LEVIN. Thank you, Senator Lieberman.

Senator Inhofe.

Senator INHOFE. Thank you, Mr. Chairman.

To maximize my time, let me just ask unanimous consent that the very kind remarks I made about Secretary Gates at the time of his departure be made a part of the record today.

Chairman LEVIN. Without objection.

[The information referred to follows:]

Secretary Gates, before I begin my questions, I add my personal thanks to those already given by the chairman. You took office during an uncertain time in the war in Iraq and successfully spearheaded plans that have brought the stability that country enjoys today. You improved conditions at the Walter Reed Army Medical Center, making the necessary changes in personnel and practices. I salute you for not just saying that we have no higher priority than taking care of our wounded warriors but for following through on those words. Finally, you consistently listened to your commanders on the ground and gave credit to military and their leaders for the success in Iraq, especially Generals Petraeus and Odierno. You have done well and I wish you and your family all the best in your future endeavors.

Senator INHOFE. Secretary Gates, last July you had—I never quite understood the position that you were taking relative to increasing the State Department's authority and perhaps their budget in terms of things that are quasi-military. Do you have any thoughts on that that you'd like to share with us for clarification?

The reason I ask that, there are some programs I feel very strong about, strongly about, such as the International Military Education and Training (IMET) program, which was at one time a program that had certain requirements. The idea was, we're doing these countries a favor by training their people, which I think they're

doing us a favor, and then the expansion of the 1206, 1207, 1208 train and equip, that these should remain as DOD run programs.

Secretary GATES. I continue to agree with that. I think they should be funded through the DOD. Program 1206 is basically a dual-key program, where nothing goes forward without the support of the Department of State, the Secretary of State. We've done a lot of good things with that program in Lebanon, Malaysia, Indonesia, the Philippines, and elsewhere.

Program 1207 is more an initiative for the State Department, but where the funding is in the DOD and we work cooperatively with the State Department in implementing those programs. Of course, 1208 has to do with Special Forces and training.

So I think these are all very important programs and I think that the approach that has been taken, heretofore, in the way they've been managed, is the way they ought to continue to be managed.

Senator INHOFE. That's good.

I've been concerned, as all of us have been up here, with some of our ground capabilities, where we have the Abrams tank and we have the Bradley Assault Vehicle, the Paladin, the Stryker, all on different chassis and all of that. Then along came the Future Combat System (FCS), and I think that there has been a lot of discussion on it. It is on track right now where we will have all of these systems with the same common chassis. It seems to be working pretty well right now.

Do you maintain your commitment? I know tough decisions have to be made, but I'd like to know where you would rank the FCS in your priorities?

Secretary GATES. Well, one of the useful things that I think the Army did last summer or fall was to reexamine the FCS and see what capabilities being developed in FCS could be accelerated and spun out for the use of forces in the field today. I have seen some of those capabilities down at Fort Bliss.

I think that in terms of the longer lead time items, along with many other large-scale weapons systems, we're going to have to take a close look at it and take a look at the other elements of FCS. As we do the major programs of the other services, see what can be made available, what is useful in this spectrum of conflict from what I would call hybrid complex wars to those of counterinsurgency, where you may encounter high-end capabilities that have been sold to some of our adversaries by near-peers, but they are in use in a conflict such as we face in Afghanistan or in Iraq or perhaps elsewhere.

So I think all these things are going to have to be looked at. I don't think anything's off the table at this point.

Senator INHOFE. I've appreciated some of the comments that General Chiarelli has made concerning this. An area that has not been brought up yet that I have a particular interest in is AFRICOM. Of course, we worked through several years of the continent of Africa being under the Pacific Command (PACOM), the CENTCOM, and European Command. Now we have our own AFRICOM, which I think is long overdue, but I'm glad we do.

However, I'm concerned with all the problems that are there, that with the squeeze of terrorism in the Middle East and a lot of

it going down through Djibouti and the Horn of Africa, that there are serious problems there. Everyone talks about the Sudan, they're familiar with that, but there are other problems like Joseph Kony and the Lord's Resistance Army and what's happening with Mugabe down there.

My concern with AFRICOM is it doesn't seem as if they have the resources that they need. I know there's a lot of competition for these resources. General Ward is doing a great job, General Wald before him was, and of course Admiral Mueller is right in the middle of this. I would like to ask you to maybe have your people evaluate the potential in AFRICOM and then see what kind of resources they need.

Right now I know that they don't even have an airplane down there to get back and forth. A lot of us had thought that the headquarters should have been in Ethiopia or someplace on the continent. However there's resistance down there to that.

So do you have any thoughts about AFRICOM and about their lack of resources and how we might address that?

Secretary GATES. Well, it's a reality that we're having to deal with. I would say this, though. As we have tried to help African countries understand what we have in mind with AFRICOM and the role that we would like for it to play in terms of helping them create more democratically oriented, better trained internal security and military forces and train them for peacekeeping, train them to deal with humanitarian missions, and so forth. Clearly our eagerness to present a military face in terms of civil conflicts or conflicts between states down there has been important.

Now, when it comes to al Qaeda I think General Ward does have the resources that he needs in the Horn of Africa and elsewhere. But this is something that we will have to continue to look at.

I would say with respect to the headquarters, I made the decision to leave the headquarters in Europe for the time, for a 3 year period, because it seems to me what's key for AFRICOM now is building relationships in Africa, and in 3 years we may have a better idea of the kinds of relationships with other countries that will allow us to move the headquarters of AFRICOM onto the continent. I don't think that's possible right now, so I didn't want to make a permanent decision about moving the headquarters back to the United States.

Senator INHOFE. I think you did the right thing and I appreciate that. But frankly, when you talk to President Museveni and some of the presidents of these countries, they think it would function better down there, but they can't sell it to their own people. So that is where we are now.

My time has expired, but I hope you got the message I left at your office that, while there are a lot of us on this panel, and the President has talked about the closing of Guantanamo, some of us don't think that's a good idea and we want to at least be heard as well as the other side.

Thank you very much, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Inhofe.

Senator Reed.

Senator REED. Thank you, Mr. Chairman.

First, Mr. Secretary, let me join my colleagues in thanking you for your continued selfless service to the Nation and the men and women who wear the uniform of the United States, and extend that appreciation to your family, who in a very real sense serve with you. This is a singular act of patriotism.

We have many challenges and you have many challenges. With respect to the transfer of resources from Iraq to Afghanistan, it seems that it's not just a question of numbers of troops, but it's also a question of the types of forces—engineers, civil affairs, military police, those enablers that really increase your effectiveness on the ground, and particularly equipment like UAVs, which might in fact go a long way to help the situation there.

Is there any thought of not just sheer numbers, but increasing specialized units, increasing the number of UAVs, special requests for that?

Secretary GATES. We have pretty dramatically increased the number of ISR platforms in Afghanistan over the past 6 or 8 months. We are now in the process of standing up an Afghan equivalent to Task Force Observe, Detect, Identify, and Neutralize that in Iraq enjoyed considerable success in locating Improvised Explosive Devices (IEDs) and people planting IEDs. We're establishing that kind of capability. It began last month to stand up in Afghanistan, particularly focusing on the Ring Road.

The question you raise really is the more difficult question raised by the chairman in his question in terms of the tradeoffs. The tradeoff difficulty has been less actually at the brigade combat teams and the Marine regiments than it has been the enablers, the rotary lift capability, ISR, engineers, and so on. That's where we've been working very hard in terms of what can we afford to move from Iraq to Afghanistan or remission instead of going to Iraq to go to Afghanistan.

Frankly, I think this is for the Joint Forces Command and the folks on the Joint Staff, the biggest challenge about strengthening our forces in Afghanistan, is really where to get these enablers to ensure that the troops have what they need.

An aspect of this, for example, that I'm wrestling with right now. Philosophically or in terms of the regulations or however you want to put it, we have a different standard for medical evacuation (MedEvac) in Afghanistan than we do in Iraq. In Iraq our goal is to have a wounded soldier in a hospital in an hour. It's closer to 2 hours in Afghanistan. So what we've been working on the last few weeks is how do we get that MedEvac standard in Afghanistan down to that golden hour.

Where our forces are thicker, in RC-South and RC-East, that's probably more manageable than in the more scattered areas of the north and west. But it's an example of the kind of enablers and the kinds of support capabilities where we're having to make some tough choices.

Senator REED. Another aspect, there are so many with respect to Afghanistan, but when there are incidents in combat actions with collateral casualties, disputes about whether they're civilians or whether they're just combatants, I think having more of these type of enablers, particularly the intelligence platforms, the UAVs, might minimize that. Is that something that you've considered?

Secretary GATES. I think it would help. The truth of the matter is I think 40 percent of the air missions that are called in are called in by our allies, because they don't have enough forces there. So this is not strictly an American problem, if you will.

But I will tell you that I believe that the civilian casualties are doing us enormous harm in Afghanistan, and we have to do better in terms of avoiding casualties. I say that knowing full well that the Taliban mingle among the people, use them as barriers. But when we go ahead and attack, we play right into their hands. We have to figure out a better way to do these things or to have the Afghans in the lead, because my worry is that the Afghans come to see us as part of their problem rather than part of their solution, and then we are lost.

Senator REED. Mr. Secretary, you stress continuously that this is an interagency effort, that military action will buy time, but without effective economic development, political institution capacity-building, it will be a very difficult challenge ahead. Can we expect legislative proposals and budget proposals to truly energize other Federal agencies, the Department of Justice, Department of Agriculture, et cetera? Are you and your colleagues in the Cabinet working on that?

Secretary GATES. I have not yet had the opportunity to sit down with Secretary Clinton and the others, but my impression is that the Department of State is in fact going to have some proposals that will be made a part of the remaining part of the fiscal year 2009 supplemental.

Senator REED. Again, thank you for your service, Mr. Secretary. Thank you.

Chairman LEVIN. Thank you, Senator Reed.

Senator Chambliss.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Secretary Gates, I was participating in one of my favorite pastimes the other day, which is watching college basketball, and I happened to be watching Texas and Texas A&M, and you flashed through my mind and that you could have been sitting there watching that basketball game instead of coming out of the private sector and serving your country again, and for that we are all grateful.

Secretary GATES. Probably a lot less stress here, Senator. [Laughter.]

Senator CHAMBLISS. They were wearing you out pretty good. Your Aggies were struggling.

I could spend all my time talking to you about the F-22, but you and I have been down this road over the last couple of years and I know these hard choices that you're talking about directly implicate that program, as well as the C-17, the tanker program, and others. I know also that senior Air Force officials are going to be briefing you on these programs and their recommendations over the next couple of weeks.

So I'm not going to dwell on that, except to say, along the lines of what Senator Lieberman alluded to, and that is from a stimulus standpoint. We are wrestling with an issue that's entirely outside the Pentagon relative to stimulating this economy. But if you take any one of these programs—and I just cite the F-22 program as an



example. If we shut down that line, we're talking about the loss of 95,000 jobs on top of the other woes that we are looking at in the economy right now.

While there were a number of folks during the campaign who talked about reduction in the defense budget, I would argue very strongly for the opposite, that if we truly want to stimulate the economy there is no better place to do it than in defense spending. When you look at the specific programs that are in place, you're talking about not only maintaining jobs, but increasing jobs. As we look at, whether it's 16 months, 22 months or whatever, coming out of Iraq, there are going to be issues relative to what sort of equipment you leave there versus what you bring back. You have reset costs versus acquisition costs.

So I think there are any number of factors that I hope you will discuss in great detail with the President as you talk about not only what we're going to do from an acquisition standpoint, but from a stimulus standpoint when it comes to truly stimulating our economy.

I want to go back to something also that Senator McCain mentioned, and that is the Guantanamo issue. I am very skeptical of what's going to happen down there. I don't have a lot of confidence that the Europeans and other countries are going to step up and take these hardened killers that we know that are there. In addition to that, there's a whole separate issue that he alluded to somewhat and that's the issue relative to Bagram. I don't know whether we have any prisoners still at Baqubah or not, but we have thousands of prisoners in Iraq today that are not in Guantanamo.

What is the thinking of this administration, entirely separate from Guantanamo, as to what we intend to do with those prisoners?

Secretary GATES. Well, to take Iraq as an example, we have released probably on the order of 16 or 17,000 detainees over the course of the past year or so. Of course, those detainees under the SOFA, those that remain will fall under the jurisdiction of the Iraqi government pretty shortly, and we're working out procedures to do that.

I'm heartened, in terms of the Afghan experience, we've returned probably 500 prisoners overall to Afghanistan from Guantanamo. The Afghans have put I think 200 of those on trial and have a conviction rate of about 80 percent. So I think that we will continue to work with the Afghan government in this respect. But we certainly continue to hold detainees at Bagram. We have about 615 there, I think something in that ballpark.

Senator CHAMBLISS. How many of those that have been either turned back to Afghanistan and not tried or have been found not guilty that we know have returned to the battlefield?

Secretary GATES. I don't know the number for Afghanistan. The recidivism numbers that I've been told until recently from Guantanamo have been on the order of about 4 or 5 percent, but there's been an uptick in that just over the last few months.

Senator CHAMBLISS. May I ask you about Afghanistan. It's really a two-part question. I have real concerns about Afghanistan from a different perspective than Iraq. In Iraq at least we have the potential for their economy to be rejuvenated and I think it is being

rejuvenated, primarily because of the natural resources that they have, versus Afghanistan where we don't have anything like that.

But unless we get their economy going again, it simply is going to take a much longer period of time to ever hopefully see some sort of peaceful Afghanistan. What is your thought relative to the U.S. participation in stimulating that economy?

Second, there was a quote made by John Hutton, Britain's defense secretary, the other day where he criticized members of NATO. He said they were "freeloading on the back of U.S. military security." Do you think our NATO allies are doing enough, and if not what do we need to be pushing them on?

Secretary GATES. I think that there are three areas where our allies need to do more. I think that there is a need for them to provide more caveat-free forces. I think that there is a need for them to provide more civilian support in terms of training and civil society. I also think they need to step up to the plate in helping to defray the costs of expanding the Afghan army. That cost is going to be probably \$3 or \$4 billion in the first year or 2, a steady state somewhere around \$2.5 billion. Total Afghan national government income this past year was probably \$800 million.

So this country is going to, as Senator McCain said, this is going to be a long slog. Frankly, my view is that we need to be very careful about the nature of the goals we set for ourselves in Afghanistan. My own personal view is that our primary goal is to prevent Afghanistan from being used as a base for terrorists and extremists to attack the United States and our allies. Whatever else we need to do flows from that objective. Afghanistan is the third or fourth poorest country in the world and if we set ourselves the objective of creating some sort of Central Asian Valhalla over there, we will lose because nobody in the world has that kind of time, patience, or money, to be honest.

Now, we can help the Afghans. They are good farmers. They do need a lot of technical help to modernize the way they go about things. They have some minerals. So there is an economy there to be developed. But it seems to me that we need to keep our objectives realistic and limited in Afghanistan. Otherwise we will set ourselves up for failure.

Senator CHAMBLISS. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Chambliss.

Senator AKAKA.

Senator AKAKA. Thank you very much, Mr. Chairman.

Mr. Secretary, I want to add my welcome and gratitude to you for your leadership of our Armed Forces and look forward to working with you. My questions are not about Iraq and Afghanistan, but more about the troops. As a strong advocate for the readiness and quality of life for troops and their families, I recognize that the ability of the Armed Forces to attract and retain quality personnel to the future depends on how we meet the needs of those serving today.

In 2008, Congress approved the Veterans Educational Assistance Act of 2008, which is known as the 21st Century GI Bill. This bill provides enhanced educational benefits for veterans and service-members who have served in our Armed Forces after September 11, 2001. Secretary Gates, the 21st Century GI Bill grants author-

ity for servicemembers to meet certain criteria to transfer unused educational benefits to family members.

What progress has DOD made with the VA in establishing policy to implement this critical part of this bill across the Services?

Secretary GATES. First of all, Senator Akaka, let me say, with a nod to Senator Webb, I think that the bill as it finally was passed really hit the sweet spot. Obviously, the economy is helping us in recruitment over the last number of months, but the surveys we've taken indicate that the enhanced educational benefits have contributed to a greater willingness to enlist and to enter the Armed Forces.

But the transferability provision that you just cited is also an incentive in terms of retention, in terms of people seeing this as an opportunity for their spouses or their children. My understanding, I'm not exactly familiar, and we can get you a precise answer, but my understanding is that the transferability provisions are set to be put into practice this fall, that the procedures are being worked out right now and that the first availability of that transferability provision would be this fall.

Senator AKAKA. Yes, and we're looking forward to that taking place in August.

Mr. Secretary, in May 2007, as a result of problems identified at Walter Reed Army Medical Center, you and the Secretary of Veterans Affairs established the Senior Oversight Committee (SOC) to address the concerns of the treatment of wounded, ill, and injured members of the armed services. Based upon concerns about sustaining these efforts, the 2009 National Defense Authorization Act directed the Departments to continue the SOC's activities until December 2009.

I'm concerned that in the waning days of the Bush administration the effort to achieve a united effort on behalf of the wounded warriors became fragmented due to interdepartmental differences on how best to organize the SOC.

As a result of DOD's reorganization, the VA now has to coordinate its efforts through multiple offices within DOD.

I greatly value the efforts of SOC. Secretary Gates, do you have your commitment to work with Secretary Shinseki to get things back on track?

Secretary GATES. Yes, sir, Senator. In fact, I attended Secretary Shinseki's swearing in and it was the first time we'd had a chance to talk since he had been nominated and confirmed. I told him at his swearing in that we needed to get the SOC back up and running. I told him that one of my worries, as is often the case with the bureaucracy, is that this thing has been going on now for a year or a year and a half and it's done some amazing things, but if you take away the energy and the pressure from the top these things tend to get bureaucratic and institutionalized again and the energy goes out of continuing to make changes.

So we've just expanded the pilot program in terms of trying to cut the time down on the disability evaluation system. That's now expanded out of this metropolitan area into a number of other areas. So I think it's important to keep the energy going and the creativity in addressing the recommendations with respect to

wounded warriors, and Secretary Shinseki and I are in total agreement that this special operations committee be continued.

Senator AKAKA. I would like to ask you, Mr. Secretary, if you would get back to me in 30 days to let me know how you are proceeding on that policy.

Secretary GATES. Sure.

[The information referred to follows:]

Thank you for giving me the opportunity to provide additional details on the ongoing collaboration of the interagency Wounded, Ill, and Injured Senior Oversight Committee (SOC). Through this unprecedented union, the Department of Defense and Department of Veterans Affairs are working to provide a seamless continuum of care that is efficient and effective in meeting the needs of our wounded, ill, and injured servicemembers, veterans, and their families.

We recently realigned our SOC functional leads and support staff to provide permanency in our oversight of SOC taskings. The new organization provides us an effective means of keeping senior leadership focus on these important issues. In the near-term, Secretary Shinseki and I plan to co-chair the SOC and we look forward to our continued partnership in resolving wounded warrior issues.

Next to the war itself, providing care for our wounded, ill, and injured servicemembers, veterans, and their families remains my highest priority. Thank you for your continued support of our servicemembers, veterans, and their families.

Senator AKAKA. Secretary, our military has experienced strains after nearly 7 years of warfare. It is imperative that we support our forward deployed forces engaged in current operations, but we must not overlook other important developments in the international system. In your opening statement you address China's military modernization. China's continued investment in its military transformation has grown and the balance of power in Asia and the Pacific region has changed. In March 2007 Beijing announced a 19.47 percent increase in its military budget.

In light of China's continuing military modernization efforts, do you believe that the U.S. forces in PACOM are properly equipped to address any possible future threats related to China's modernization, particularly with regards to PACOM's forward basing strategic needs?

Secretary GATES. Yes, sir. I think that we need to complete the relocation programs with respect to Guam and Okinawa, as well as in South Korea. But I think with the forward deployment of the USS *George Washington* to Japan, I think that the U.S. forces, both Navy and Air Force in particular, are well positioned.

We have a number of programs underway in development that are intended to counter some of the Chinese technological advances that have the potential to put our carriers at risk, and I think we're making good progress on those and I think we have the capability in place to be able to deal with any foreseeable Chinese threat for some time to come.

Senator AKAKA. Thank you very much, Mr. Secretary.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Akaka.

Senator Thune.

Senator THUNE. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for your willingness to continue on and to serve in this very important role. Many of us, I think when the President was filling out his Cabinet, were very pleased when he announced that he was going to ask you to continue, and even more pleased to hear that you would agree to do that. So I think,

as my other colleagues have said, your family as well for their continued sacrifice and service to our country.

I want to address briefly an issue which is of great concern to me and I think should be an issue of concern to all Americans, and that is the very dangerous overdependence that we have on foreign energy. In my view that is a national security issue. We transfer over half a trillion dollars a year to foreign countries to purchase oil.

Of course, the military is one of the biggest purchasers of fuel. The Air Force alone in 2007 spent \$5.6 billion for aviation fuel. As you well know, increased oil prices in the past couple of years have had a very negative effect on Air Force readiness.

Last month, Air Force Secretary Donnelly signed an Air Force energy program policy memorandum establishing the goals of certifying the entire Air Force fleet to use a synthetic fuel blend by 2011 and to acquire 50 percent of the Air Force's domestic aviation fuel requirement via an alternative fuel blend by 2016.

My question is, do you think that the Air Force's energy initiative regarding synthetic and alternative fuels is something that should be considered for Department-wide implementation?

Secretary GATES. Yes, and in fact one of the transition papers that was prepared for my successor had to do with a consolidation of oversight within the DOD on energy-related issues, we have many individual programs in the DOD oriented toward energy conservation and toward alternative fuels. But there is no one place where it all comes together for oversight or for the sharing of ideas and the sharing of technologies and so on.

I think that, if I'm not mistaken, there is a position provided for in the Department at a fairly senior level to do this, and it would be my intention to fill that position to accomplish what you just suggested, but with a broader mandate than that.

Senator THUNE. One of the things that I think would help achieve that objective and something that I have supported and tried to get included in the defense authorization bill up here is an initiative that would allow for greater private sector investment in synthetic fuel production, which would increase multi-year procurement authority for the Department.

One of the things that we believe would incentivize private sector development and production of synthetic fuels is knowing that they would have a multi-year authority through the Department to actually enter into contracts that would give them some certainty about the future.

I guess my question is, is that something that you could see the Department supporting?

Secretary GATES. I think that there are some real opportunities for partnerships with the private sector. What you've mentioned is one. Another that I encountered at the Red River Depot is one. Most of the vehicles that come back from Iraq come back with their petroleum supply still in them, the oil, diesel, and so on. Previously we had to pay to have that material discarded. We entered into a contract with a private company and we now sell that material to a private company that rerefines that material and sells it on the open market. So all of this in the past waste petroleum, oil, and

lubricants is now being converted back to useful fuels, and at the same time we get paid for providing it.

I think that there are a lot of opportunities like this.

Senator THUNE. I think the multi-year procurement authority is one initiative that would help accomplish some of the things you are talking about doing, and we would like to work with you toward that.

Mr. Secretary, you mentioned in a recent article that our ability to strike from over the horizon will be at a premium and will require a shift from short-range to longer-range systems, such as the Next Generation Bomber. In your opinion, how will the Next Generation Bomber fit into our national defense strategy and what steps do you see the Department taking to ensure that the Next Generation Bomber achieves initial operational capability by the stated goal of 2018?

Secretary GATES. First of all, I would say that I think that I made that speech at a time when the economic outlook was rather different than it is now and the prospects for the defense budget perhaps differed accordingly. I think we have to look at all of the aspects of our strategic posture. I think that the role of a Next Generation Bomber along with some of the other systems that we've been talking about clearly have to be a focus of the QDR. It is my intent to launch that next month and to do so in an accelerated way so that it can, if not shape the fiscal year 2010 budget, have a dramatic impact on the fiscal year 2011 budget. The bomber would be looked at in that context.

Senator THUNE. I want to follow up on a question that Senator Lieberman asked you earlier about the stimulus and ask you if you have any unfunded requirements related to reset that should be included in the pending economic recover package?

Secretary GATES. I would say that I think we do not. If the requests that we have put in in the context of the remaining fiscal year 2009 budget supplemental are attended to, I think that the reset requirements that we have currently are taken care of.

Senator THUNE. Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Thune.

Senator THUNE. Thank you, Mr. Secretary.

Chairman LEVIN. Senator Webb.

Senator WEBB. Thank you, Mr. Chairman.

Secretary Gates, I want to say how great it has been over the last year or 2 to hear and read so much that you have said and so many of your thoughts about where we need to proceed forward as a Nation in terms of our foreign policy. I think your sensible and informed views have really helped calm down a lot of the debate here in this country.

Your realistic views of how we need to proceed forward with Russia, I think are very welcome in this debate. I'm not quite as optimistic as you are about China. I'm probably as hopeful as you are about China, but, having watched that situation for many years and having just returned from a fairly extensive trip to East Asia, I hope we can have a discussion on that at some point.

With respect to Afghanistan, I'm looking forward to hearing the views of the special emissary that the President just created. For the purposes of the DOD, I certainly would hope that we don't at

this point let our operational policy get ahead of a clearly enunciated strategy, which I think was one of the big pratfalls in going into Iraq.

But principally today I would like to comment on the last portion of your statement, which I haven't heard anybody mention, and I think it was a vitally important commitment that you have just made, that you are going to get into the procurement side of the DOD and the management side. I spent 5 years in the Pentagon, 4 of them working under the leadership and with Captain Weinberger. I think the job that you have is the hardest job in the executive branch except for the President himself—every day working on three different budgets: implementing one, arguing one, and developing one.

The Pentagon is, in my view, really in need of that kind of tightening of the process that I think pretty much got out of control after September 11. We need to see more discipline and more leadership and a clearer articulation of the priorities of where this money is going and why. You can look at the Department of the Navy as a classic example of how these problems have evolved.

You'll recall last year you and I exchanged correspondence about this question I had with the Blackwater contract out in San Diego. In that process I discovered that a relatively low-level official in the Department of the Navy had the authority to let a \$78 million contract, contracts of \$78 million or below, without even having the review at the Secretary of the Navy level, much less DOD level.

We have the Navy coming over here telling us in the fiscal year 2009 budget that they have a \$4.6 billion decrement in unfunded requirements, not priorities. They are trying to build their fleet up to 313 ships. They're now at 282, which is half, almost exactly half, the size of the Navy when I was Secretary of the Navy. The procurement programs in naval air are in total disarray, as are the shipbuilding programs. They have \$450 million in critical maintenance that's unfunded.

Then they turn around and say they want to spend a billion dollars putting a nuclear aircraft carrier down in Mayport, FL. We haven't needed that since 1961. No one's asked about that since 1961. We got a commitment from the individual who, if confirmed, will be your deputy that this will be reviewed at the Office of the Secretary of Defense (OSD) level. But it's just a classic example, to me, of how this process has gotten so out of control that we're not focusing on the areas that can truly help the country, like rebuilding the fleet and putting aircraft out there into the squadrons.

I would also like your thoughts on reviewing the notion of civilian contractors. Years ago when I was in the Pentagon, we used to talk about civilian contracting as kind of a default position, long-term civilian contracting. We had the Total Force, which was Active, Guard, and Reserve, and career civilian force; and then when things went wrong we'd go into civilian contracting. Now I keep hearing this phraseology that civilian contractors are a part of the Total Force.

I would hope, with the growth of this area and the difficulties that we've had in terms of legal issues and these sorts of things, that you would put that on your plate as well.

Secretary GATES. I think that it has to be. I think one of the things that's underway right now is a study on the use of civilian contractors in contingency operations. I think that the use of contractors in many respects grew willy-nilly in Iraq after 2003, and all of a sudden we had a very large number of people over there and, as became clear, inadequate capacity to monitor them.

One of the benefits of the exchange you and I had last year was really in a way bringing to our attention through the Blackwater contract the way that elements of training had been contracted out. There are parts of the training that legitimately and properly and probably less expensively can be done by private contractors. But again, it had grown without any supervision or without any coherent strategy on how we were going to do it and without conscious decisions about what we will allow contractors to do and what we won't allow contractors to do.

So I think we have not thought holistically or coherently about our use of contractors, particularly when it comes to combat environments or combat training, and those are the areas that I think we need to focus on first.

Senator WEBB. Thank you. Thank you very much.

Thank you, Mr. Chairman.

Chairman LEVIN. Thank you, Senator Webb.

Senator Martinez.

Senator MARTINEZ. Mr. Chairman, thank you very much.

Mr. Secretary, I might add my word of thanks to you and your family for continuing to serve our country so capably and to thank you for the continuing sacrifice that you're making in this service. So I add to the chorus of thanks and continued best wishes for all that you are doing for our country.

In regards to NATO and its participation in Afghanistan, I was very taken by your comments some months ago about a two-tiered alliance. In fact, I continue to be concerned about that. I know my colleague Senator Chambliss discussed this with you. I want to just ask if this administration has a strategy on how to obtain the true participation without the caveats of our NATO allies in the fight in Afghanistan.

I recognize the need for us to have additional troops. I also recognize what you mentioned as the need, which is to build the Afghan army. There's going to be a need for there to be serious commitment. What is the strategy to get that to take place for this administration?

Secretary GATES. I think, with all fairness to the new administration, they've been in office 6 days.

Senator MARTINEZ. Actually 8 today.

Secretary GATES. Or 7. But I think that this clearly is going to be an issue that we will have to address very soon. I know it's an issue that Secretary Clinton has thought about. It is an issue that the President clearly has thought about. But there are three forcing events, I think. One is I have a defense ministerial, NATO defense ministerial meeting, in mid-February. Secretary Clinton will have a foreign ministers ministerial, NATO ministerial, a couple weeks after that. Then of course there's the 60th anniversary of the alliance in April. These three will, I think, require us to develop a strategy on how we approach our European allies and at what



level in terms of asking them to do more, and I think do more in each of the areas that I've talked about.

My sense is from some of the information and diplomatic comments and public comments that some leaders have made in Europe that they are prepared to be asked and that they are prepared to do something. In fact, there's some indications that a few of our allies have been sitting on a capability so that they could give the new President something when he asks.

So I think there are opportunities not only in terms of caveat-free troops or additional military capability, but again the civilian enablers, if you will, and also perhaps better, bigger contributions in terms of defraying the costs of the growth of both the police and the army in Afghanistan.

All three areas, seem to me, to be areas where our allies can and should do more.

Senator MARTINEZ. I want to thank your Department for the very farsighted decision, the strategic dispersal of our nuclear fleet on the East Coast of the United States. I applaud the decision to make Mayport a nuclear-ready homeport for our nuclear fleet. I think that it's a matter of national security to understand the need for there to be more than one strategically situated base on the east coast. So I applaud the decision and look forward to working with you and others in the Department on the funding priorities for that to take place.

I want to ask your thoughts on the LCS program. I recognize that perhaps this may be too much in the weeds, but I do think that the LCS is an integral part of the future of our fleet. I believe that getting our fleet back to that 313-ship Navy is essential and the LCS is a big part of that.

I'm wondering whether any movement forward has been made in terms of deciding on which of the two prototypes to pursue, whether the Lockheed or the General Dynamics version of this particular vessel?

Secretary GATES. I don't know the answer to that, Senator.

[The information referred to follows:]

As a result of congressional direction contained in the fiscal year 2009 Defense Appropriations Act, the Navy amended the current littoral combat ship (LCS) seaframe construction solicitation to delete the fiscal year 2008 ship and add three fiscal year 2010 Ships. This solicitation seeks to procure a total of five ships, two in fiscal year 2009 and three in fiscal year 2010 via continuation of limited competition between the two incumbent industry teams. The Navy intends to award one ship to each industry team in fiscal year 2009 and hold a concurrent competition for quantity in fiscal year 2010.

The fiscal year 2009 awards will be fixed-price type contracts, with the Navy anticipating that each LCS prime contractor receives one ship. The fiscal year 2010 ship options will be a competition for quantity. The fiscal year 2009 ship prices will be included with the fiscal year 2010 ship prices in evaluating this competition.

The acquisition strategy for fiscal year 2011 and out-year ships is under development, although the Navy does not intend to down-select to one variant at this time. The Navy's strategy will be guided by cost and performance of the respective designs, as well as options for sustaining competition throughout the life of the program. The Navy remains committed to effective cost control and has modified contracting strategies and management practices to provide program stability.

Secretary GATES. But I will tell you that I think the LCS or LCS-like ship is really needed for us in the kinds of conflicts, as I look around the world, that we're likely to face. As I look at the Persian

Gulf, as I look at various other places, I think it is a capability that we need.

Senator MARTINEZ. The strategic situation on the east coast, of course, also impacts our Fourth Fleet and the issue in the area of Latin America, which we often don't talk about, which I think increasingly becomes a security concern. We know that Venezuela did some naval exercises with Russia in recent days and also the continuing involvement of Iran with Cuba and Venezuela raises concerns for many.

What are your thoughts on the potential threats emanating from our southern border?

Secretary GATES. I'm concerned about the level of, frankly, subversive activity that the Iranians are carrying on in a number of places in Latin America, particularly in South America and Central America. They're opening a lot of offices and a lot of fronts, behind which they interfere in what is going on in some of these countries.

To be honest, I'm more concerned about Iranian meddling in the region than I am the Russians. I felt that our best response to the Russian ship visits to Venezuela was nonchalance, and in fact if it hadn't been for the events in Georgia in August I probably would have tried to persuade the President to invite the Russian ships to pay a port call in Miami, because I think they'd have had a lot better time than they did in Caracas.

But basically I think at \$40 oil the Russian navy does not bother me very much. They clearly have some capabilities.

This is the first time they've had an out-of-area exercise in a decade or so. It's important for us to keep perspective about their capabilities. When they complained about our escorting their Black-jack bombers to Venezuela, I wanted to say that we just wanted to be along for search and rescue if they needed it.

So these deployments by the Russians I think should not be of particular concern to us. On the other hand, Iranian meddling is a concern.

Senator MARTINEZ. I love the idea of promoting Florida tourism. We can work together on that. [Laughter.]

I do concur with your assessment of the Iranian situation and I think it's something that we need to keep a close eye on because I think it's going to be a potential future threat.

Thank you very much.

Chairman LEVIN. Thank you, Senator Martinez.

Senator McCaskill.

Senator MCCASKILL. Thank you, Mr. Chairman.

Mr. Secretary, I'm also thrilled that you are here today and I will tell you that I fully appreciate the knife fight that you're going to be in as it relates to procurement, particularly as it relates to the competition between the different Services and the competitions between the various Members of Congress to take care of the folks at home. Please consider me a partner in that alley in your knife fight and I think more of us need to get our knives out for the good of the whole as opposed to looking after some of the parochial interests that occurs around here.

I want to start with substance abuse in the military. As I'm sure you're aware, we've had a 25 percent increase in soldiers seeking help for substance abuse. I'm sure you're also aware that we had

a scandal of sorts at Fort Leonard Wood in Missouri where we discovered that over 150 soldiers who had wanted help had not been given help, some of them waiting for as long as 9 months for substance abuse treatment. We have more than a fourth of the slots are open military-wide for substance abuse counselors.

Most important and my question to you today is the culture. Is this a command notification issue or is this an issue where we should be more supportive of the soldiers that come forward, particularly in light of the pain medication addictions that we're seeing more frequently as it relates to those who have been injured, and obviously the alcohol and illegal drug problems?

This has always been a notify the commander culture, and so the culture has been don't come forward and ask for help. As we look at all of the mental health issues, domestic issues, as the operations tempo of deployment in Iraq, and of dwell time, I think that that's something that we need to get figured out at the very top. Are we going to change the culture of command notification for those who are seeking substance abuse help in the military?

Secretary GATES. This is something that I'm happy to look into. I think that one of the things that I've seen just in the reporting that I receive is the concern that in a significant number of cases where we have substance abuse, it began with prescribed medication for physical or psychological wounds. In that respect it seems to me we have an obligation to these folks to try and help them get past this substance abuse. The objective is not to end their career, but to cure them and get them back to work.

Senator MCCASKILL. I know that Secretary Geren is looking at all the issues surrounding this in response to a letter I wrote him at the end of last year. I look forward to continuing information about how we're going to change the ability of these folks to get help when they need it.

As we talk about drawing down in Iraq, and to follow up on Senator Webb's question, who is the person that I can hold accountable for the drawing down of the contract forces? The Congressional Research Service said in December that we had 200,000 contractors on the ground in Iraq. As we pull out our active military, who's in charge of winding up these contracts? What steps have you taken to make sure that the lessons that we learned in Bosnia, which it was admitted to me that we didn't follow in Iraq in terms of contracting, what are we doing to make sure that these incredible mistakes—I think "willy-nilly," by the way, is kind as to what happened with contracting in Iraq.

What are we doing to make sure that we don't repeat these same mistakes in Afghanistan?

Secretary GATES. Well, the commander in Afghanistan is in the process of setting up the same kind of oversight monitoring group for contracting that was established by the Multi-National Forces-Iraq (MNF-I) commander last year. So we're trying to take the lessons learned out of Iraq over the last couple of years, in terms of the lack of oversight and transfer, to Afghanistan.

Overall, the responsibility for DOD contracting in Iraq is in the hands of MNF-I and the people who work for him. This is one of the issues, frankly, as we withdraw that is going to be a challenge for us. First of all, we have been rotating troops into equipment

that was already in Iraq. The contractors in Iraq are using a lot of equipment that belongs to the United States Government. The question as we draw down in significant numbers over the next 18 months or whatever the period of time is, 16 months, the question is we are going to have to bring the equipment that belongs to us back, but we have to decide what of the equipment that belongs to us that the contractors are using are we going to bring back.

I think all of this is going to require a high level of supervision, and we need to think pretty quickly and with some agility in the DOD to make sure that we get this right.

Senator MCCASKILL. I'm worried we're going to have 30,000 troops in Iraq and 100,000 contractors. I think if we're not careful that could happen, if we don't pay attention to that side of it.

Finally, Mr. Secretary, I wanted to bring your attention to a situation that I think is deserving of your attention and that is the scandal at the Defense Contracting Audit Agency (DCAA) as it relates to the incredibly negative essentially peer review they got from the Government Accountability Office (GAO), their failure to abide by the appropriate government auditing standards, and how that kind of shakes the timbers.

If we don't have the DCAA with a clean report from a fellow auditing agency, we have serious problems. More importantly, when the whistleblower wanted to provide information as it related to the problems internally at DCAA, she received an incredibly threatening letter that was signed by an audit supervisor, but in fact I found out was drafted by a lawyer at DOD under the general counsel.

I want to make sure that I bring this letter to your attention. Nothing strikes more fear in the heart of, I hope, everybody in this room and everybody in America than the idea that someone who is trying to fix a problem in government is threatened with criminal prosecution if they pursue the information that they need to document the claim they're making in terms of inappropriate auditing standards at the agency. I would ask you to look into that.

I believe that lawyer is still there and I don't believe anything has happened to that lawyer that wrote that letter. The fact that his name wasn't on the letter doesn't change anything. There needs to be some accountability in that regard. I will forward a copy of the letter to you and ask for your follow-up on that situation.

[The information referred to follows:]

I share your commitment that the Department must perform quality audits under Generally Accepted Government Auditing Standards. I also share your concern that whistleblowers receive the statutorily-based protections they deserve when they act on our behalf to do the right thing. The letter in question was inappropriate and should not have been issued, as the Director of Defense Contracting Audit Agency (DCAA) has testified before the Senate Homeland Security and Government Affairs Committee.

The investigation by the Office of Special Counsel (OSC) is ongoing and includes a review of the actions of the DCAA attorneys. I am advised that title 5 of the United States Code, section 1214(f), expressly prohibits the imposition of disciplinary action against any employee for any alleged prohibited activity under investigation by the OSC, or for any related activity, without approval of the Special Counsel. The Department will consider initiating appropriate disciplinary action after a full investigation has been completed by OSC to ensure that the proper measure of discipline is imposed, should OSC recommend corrective action.

Secretary GATES. Okay. I agree it's important, and some time ago I asked the DOD Inspector General to look into these abuses at DCAA, and particularly the allegation of the abusive treatment of one of the auditors.

[The information referred to follows:]



SECRETARY OF DEFENSE  
1000 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1000

The Honorable Claire McCaskill  
United States Senate  
Washington, DC 20510

Dear Senator McCaskill:

Thank you for your question about the Defense Contract Audit Agency (DCAA) during the Senate Armed Services Committee hearing on January 27, 2009. You asked specifically about the letter issued to Ms. Diem-Thi Le in August 2007 as she prepared her complaint to the Office of Special Counsel (OSC), and whether any disciplinary action has been taken against the attorney who drafted the letter.

I share your commitment that the Department must perform quality audits under Generally Accepted Government Auditing Standards. I also share your concern that whistle-blowers receive the statutorily-based protections they deserve when they act on our behalf to do the right thing. The letter in question was inappropriate and should not have been issued, as the Director of DCAA has testified before the Senate Homeland Security and Government Affairs Committee.

The investigation by OSC is ongoing and includes a review of the actions of the DCAA attorneys. I am advised that Title 5 of the United States Code, section 1214(f) expressly prohibits the imposition of disciplinary action against any employee for any alleged prohibited activity under investigation by the Office of Special Counsel, or for any related activity, without approval of the Special Counsel. The Department will consider initiating appropriate disciplinary action after a full investigation has been completed by OSC to ensure that the proper measure of discipline is imposed, should OSC recommend corrective action.

Thank you for your support of the Department. I look forward to working with you and your colleagues.

Sincerely,

cc:  
The Honorable Carl Levin  
The Honorable John McCain



Senator MCCASKILL. Thank you very much.

Chairman LEVIN. Thank you, Senator McCaskill.

Senator WICKER.

Senator WICKER. Thank you, Mr. Chairman.

Mr. Secretary, thank you for your service and for your straight answers today. I think it's just remarkable that someone like you could serve in the previous administration and be asked to stay over in the new administration. So thank you for your willingness to do that.

Our chairman mentioned in his opening remarks his hope that we might move toward a possible joint missile defense program with Russia against a potential strike from Iran. I think it's your testimony today that you think that it indeed is important to pursue such an idea and that Secretary Clinton shares this goal.

Do we have any indication at all that the Russian Government is interested in talking with us meaningfully about moving to something like this?

Secretary GATES. I had the distinct impression when I presented a range of opportunities for cooperation and transparency to then-President Putin, that he was actually taken by some of the ideas, that there were some opportunities for cooperation. Being an old Kremlinologist, what got my attention was the fact that when Secretary Rice and I first sat down to meet with Putin and they brought in all the press, Putin basically just beat the tar out of the United States on every conceivable subject, and once the press left we then had a nice civil conversation.

But after our meeting it was clear, his comments to the press were very positive, that he'd heard some very interesting ideas. Equally important, when we began our two-plus-two meeting with Foreign Minister Lavrov and my Russian counterpart, Lavrov, instead of opening with the same kind of screed against the United States, started off by talking about how there had been some interesting exchanges of ideas, interesting possibilities for cooperation, and that they looked forward to pursuing that subsequently.

We've also heard informally from some of their military that there was interest in pursuing some of these possibilities. They were intrigued by the possibility of working together on some of this, for example a joint data center in Moscow and sharing the radar capability and so on.

So, in writing, no. But in some of the things that have been said, some of the inferences, I think if we were able to get some of the political baggage out of the way that there is actually some potential for cooperation.

Senator WICKER. Is it your view that, in any event, it's essential that the United States continue its current plans for missile defense deployment in Eastern Europe?

Secretary GATES. As I said earlier, we have not had the opportunity to pursue this in the new administration and to discuss the administration's policy on it. I will say this. All of the NATO heads of government unanimously last April in Bucharest endorsed the importance of a NATO-wide, European-wide missile defense capability. So this is a commitment that has been made by the alliance and so I think we at least need to take it very seriously.

Senator WICKER. Thank you.

I note in your prepared testimony you mention working closely with the VA to better share electronic health data and track patients' long-term recovery process. I understand you and Senator Akaka had a conversation about the SOC and the fact that you attended General Shinseki's swearing in ceremony, and that you're determined to work together to oversee joint activities of the two Departments.

A couple of weeks ago I had the opportunity to participate in General Shinseki's confirmation hearing and I asked him about the ongoing effort to create a joint electronic medical record between the DOD and the VA. In my judgment, our ultimate goal, Mr. Secretary, should be a joint electronic medical record, a common record shared by both Departments to allow this seamless transition that we all talk about.

On the other hand, there are those people in the government who say that it will suffice to have an information interoperability plan, which would simply give us the ability to share information. When I asked General Shinseki about this, he expressed the opinion that the primary barrier to implementing a joint record was not technical, but a question of leadership. I just wondered if you've had a chance to think about this issue and if you'd care to respond to us about that.

Secretary GATES. There are some technical challenges in terms of building the kind of joint capability that you describe. But I think that those challenges can be overcome with leadership and, frankly, I look forward to working with Secretary Shinseki to see if we can't make some significant progress on this. I think this is an area where we probably, instead of trying to eat the whole pizza in one bite, we probably need to take several steps to get us to the joint capability.

I don't want to wait several years while we have a massive new kind of program coming into place and not do anything in terms of sharing and having interoperable information. So I'd rather get to the first and then move on to the second, rather than wait several years and put all our chips on a new technology or a new capability. But I think we can get there and, what's more, I think with our leadership, if we can get this done in the next year or two, what we achieve may in some respects serve as a model for what I think is the President's desire to look at doing this more broadly for the Nation in terms of the civilian health care system.

Senator WICKER. Thank you, sir.

Chairman LEVIN. Thank you, Senator Wicker.

Senator Udall.

Senator UDALL. Welcome, Secretary Gates. You and I had a chance to interact and work together on the House side. I don't know whether I followed you over here or you followed me over here, but it's excellent to see you here today. I share the sentiments and praise of my colleagues here today on both sides of the aisle for your service and am looking forward to working with you as we face these big challenges, but I think significant opportunities.

If I might, I'd like to turn to a couple of Colorado-specific situations and do that quickly and turn back to some other broader scale opportunities we have. You're familiar with the Pinyon Can-

yon Maneuver Site, I believe, in southern Colorado. It's been the focus of some controversy, given the Army's interest in expanding that facility. The GAO has conducted a study of the Army's report on those training needs and I wanted to urge you today to work with the GAO to answer fully all the questions that the Army posed for itself, but that the GAO in its follow-on report suggested hadn't been fully answered.

Can you commit to me that the Army will work to answer fully those questions that the GAO has posed?

Secretary GATES. Sure.

Senator UDALL. I appreciate that.

Second, in regards to the site as well, the Army has made it clear, and you and I have exchanged correspondence, as to the use of condemnation. The indications we've received is that the Army won't pursue condemnation authority today, tomorrow, or ever when it comes to those Pinyon Canyon expansion plans. Can you continue that commitment?

Secretary GATES. I'm not familiar with the details, Senator. But if the Army has made that commitment to you, then I would stand behind it.

Senator UDALL. I appreciate that. It's, I believe, an opportunity here for this to be worked out to the satisfaction of all the parties involved. But there are many ranchers and farmers who fear for their way of life, who ironically or interestingly enough, also many of them are veterans and they're patriots. But they want to have a clear and transparent process underway.

In that spirit, let me turn more broadly. I was pleased to hear you talk about the importance of consolidating energy issues at the DOD and the position that was established in the Defense Authorization Act to do this. I hear you plan to fill the position quickly. I look forward to working with you in any way possible, as in many ways the military is leading in this cause of energy independence. The men and women in uniform know more than almost any American the price of having to defend oil supply lines and our dependence on regimes that don't particularly like us. So I commend you for this effort and again look forward to working with you.

Let me turn to the recent article that you wrote in Foreign Affairs where you said "We must not be so preoccupied with preparing for future conventional strategic conflicts that we neglect to provide all the capabilities necessary to fight and win conflicts, such as those the United States is in today."

How do you envision institutionalizing a counterinsurgency focus in the DOD and what can we do in the Senate and in the House to support you in those efforts?

Secretary GATES. I think that there are two broad approaches, Senator. One is to institutionalize the thinking about counterinsurgency, particularly in the Army, and it's one of the reasons why I've worked with the Chairman and also with General Casey, quite frankly, to put the people in the proper places to make sure that the Army does institutionalize what it's learned both for good and ill in Iraq and Afghanistan. So putting General Dempsey in at the Trade and Doctrine Command, putting General Petraeus at CENTCOM, General Chiarelli as the Vice Chief of Staff of the



Army, General Odierno at MNF-I, General Austin, all of these people really get it in terms of what needs to be done.

I'm also long-time enough in the bureaucracy to know that an institution can always beat one or two people, but it's tough to beat four or five. That's a long time to wait in your career, to wait for all those guys to retire. So I think that institutionalizing the thinking is the first thing.

The second is to figure out a better way to institutionalize support for the warfighter in terms of the regular procurement and acquisition process, development, acquisition, and procurement process in the DOD that we use for the longer term kinds of equipment. The question I keep coming back to is, why did I have to go outside the regular Pentagon bureaucracy in order to build mine-resistant ambush protected (MRAP) and to get additional ISR? We need to figure out a way where that happens within the institution and where there are institutional support of getting that kind of thing done in a prompt and timely way.

The problem is there are two different mentalities involved. The one is the typical culture in the Defense Department, which is 99 percent exquisite solutions over a 5- or 6- or 10-year period; and the other is a 75 percent solution in weeks or months. People approach problem-solving in very different ways when they have that different kind of experience. We have to figure out how to be able to walk and chew gum at the same time.

Senator UDALL. Thank you for that outline.

Let me end on this note. I commend you for your willingness to wade into procurement reform and count on me as an ally, as I think are many members on this committee.

Your statement was compelling on the need to move forward in that direction.

So thank you again for being here.

Secretary GATES. Thank you.

Chairman LEVIN. Thank you, Senator Udall.

Senator SESSIONS.

Senator SESSIONS. Thank you, Mr. Chairman.

Thank you, Secretary Gates, for serving longer. We appreciate that. I think not only does it speak well of you and the success of your tenure, but of President Obama in selecting you. I can't think of a single thing he's done that's been a more comforting and bipartisan act of leadership than retaining you as Secretary of Defense. He's seen in you some fine qualities that I think this entire committee has seen over the years. I do think that you have accomplished quite a lot and I look forward to working with you in the future.

I really appreciated your thought, and we briefly discussed this earlier, about Afghanistan and what our goals should be there. The Afghani people that I've seen when I'm there are wonderful people, but they are not prepared to want to be like us now.

Rory Stewart, who walked across Iraq and wrote the book "Places In Between" and now has a foundation there, talks about respecting the people of Iraq, accepting them pretty much as they are and helping them develop and become more prosperous and more educated, but to be patient and a bit humble about that process.

How do you see us there at this point? Is there—and I would ask fundamentally, where are we going with more troops?

How far do we see that happening? Don't, in some ways, we just have to be more patient about what we can expect this country to achieve in the years to come?

Secretary GATES. Senator, I'm perhaps more mindful of some of the lessons in Afghanistan than some others, both as a historian but also as somebody who 23 years ago was on the other side of that border trying to deal with the Soviets. The Soviets couldn't win that war with 120,000 troops and a completely ruthless approach to killing innocent civilians. They had the wrong strategy and they were regarded, properly, as an invader and an occupier. It's not for nothing Afghanistan is known as the graveyard of empires.

I am prepared to support the requirements that General McKiernan has put forward in terms of being able to work with more additional U.S. troops, many of whom will serve as trainers as well as being deployed in combat. I'm willing to support that. I think it's necessary. But I would be very skeptical of any additional force levels, American force levels, beyond what General McKiernan has already asked for.

The secret to success from a security standpoint is the ANA and the ANP and, I might add, a more effective border control police. So I think that we need, as has been discussed here before, we need a fully integrated civilian-military strategy. We need to, I think, have modest, realistic goals. Above all, there must be an Afghan face on this war. The Afghan people must believe this is their war and we are there to help them, because if they think we are there for our own purposes then we will go the way of every other foreign army that has been in Afghanistan.

So one of the things that I've been focused on, in addition to trying to see what more we could do to reduce civilian casualties, is how do we get more of an Afghan face on every single one of our operations, how do we get them out in front, so that the villagers see that it's their army that we're helping; it's not us kicking down their door, it's an Afghan who's kicking down their door to try and find the bad guy.

I think that the Afghan aspect of this has to be at the absolute forefront of any strategy going forward in that country for any of us to be successful over the long term. That's one of the reasons why I would be deeply skeptical about additional U.S. forces beyond those that General McKiernan has already asked for.

Senator SESSIONS. Thank you, Mr. Secretary. I think you should ask tough questions. It's easy to feel we need more troops, and we may well. I'll defer to your decision. But, I do think that this country ultimately will have to make it on its own. It'll have to be true to its own history and its own culture, and it's going to be a slow thing to see one of the poorest nations in the world, most remote nations in the world, develop. We can't be too optimistic about our abilities to snap our fingers and make that change occur.

Mr. Secretary, you are really focusing on defense acquisition. I think that's important. Senator McCain, who was here earlier, raised a question some time ago about, basically, a sole source lease arrangement to purchase the Air Force's number one priority,

which is a refueling aircraft tanker. This committee, Senator Levin and everybody on the committee, supported a bid process. I think at that time I referred to Senator McCain as the seven billion dollar man. I think it was more than that, by GAO standards accounting review, how much it saved the government to bid this contract.

So we've had some difficulties in moving forward. You punted it, I was disappointed to see, and now I guess you'll have to catch your own punt and move forward with selecting this aircraft.

First, don't you think we should not depart from our fundamental acquisition strategy to get the best value product for the American warfighter on a fair and competitive basis, because that's what Congress has directed explicitly the Defense Department to do, to bid this contract? Second, what are your plans to move forward?

Secretary GATES. I'm firmly committed to a competitive process. My plan is when a new deputy gets confirmed and when a new Under Secretary for Acquisition, Technology, and Logistics is confirmed, then I would sit down with the two of them and with the Secretary of the Air Force and the Chief of Staff of the Air Force and determine the best way forward.

It seems to me that this is an issue that obviously arouses strong feelings around the country, but it seems to me that the key is a competitive bid, meeting technical requirements, and the best deal for the taxpayer. But I certainly intend to proceed with a competitive process.

Senator SESSIONS. Thank you, and I will take that as a commitment that you will work to ensure we get the best product for the taxpayer and the warfighter.

Thank you.

Chairman LEVIN. Thank you, Senator Sessions.

Senator Hagan.

Senator HAGAN. Thank you, Mr. Chairman.

Thank you, Secretary Gates. I'm pleased that President Obama has asked you to remain in this position and that you've accepted it and that you are willing to forego witnessing firsthand the stress of watching those college basketball games.

A lot of what the discussion around here today is concerning procurement and acquisition, and in some of the prepared remarks that you put together you said that the DOD has difficulty in bringing in qualified senior acquisition officials and that in the past 8 years the average percentage of vacancies in key acquisition positions has been 13 percent in the Army to 43 percent in the Air Force.

When you're talking about the number of contracts, the number of cost overruns, etcetera, what's the problem here?

Secretary GATES. I think that there are a couple of problems. The first is that there was a dramatic reduction in the number of people involved in the acquisition and procurement process in the DOD following the end of the Cold War. The Defense Contract Management Agency (DCMA), for example, fell from 27,000 people to around 8 or 9,000. The number of people involved in procurement in the Department overall fell from about 500 to 600,000 to about half that number. So part of the problem is just plain numbers, and we've been working with the committee. DCMA plans to

hire 2,300 additional people over the course of the next 18 months or so. The Army is adding 1,000 civilians and 400 military in this area. I think either the Air Force or the Navy are adding a thousand.

I think the Services and OSD are beginning to address this problem, but it will take us some period of time to get back. The other factor I would tell you, Senator, I take a back seat to no one in terms of the ethics, in terms of the importance of ethics, ethical behavior, ethical standards, and the importance of integrity in office. But in a way, over a period of time, and I would say going back 20 years, in some respects we have worked ourselves into a box canyon, because we have created a situation in which it is harder and harder for people who have served in industry, who understand the acquisition business, who understand systems management, to come into the public service, and particularly when they are not coming in as career people, but perhaps at more senior levels to serve for a few years and then go out.

Last thing I would do is criticize the ethics executive order that the new President has just signed. This is a cumulative problem that has taken place over many, many years. My own view is on a lot of these issues, transparency is the answer and the recusal approaches that we have, the President recognized the need to be able to get some of these people he would need to exercise a waiver and he provided for that, I think wisely, in the executive order.

But there is a reason we have those kinds of vacancies and that they endure year after year after year. I think all of us—Congress and the executive branch together—need to look at this and see whether we're cutting off our nose to spite our face, if we haven't made it so tough to get people who have the kind of industry experience that allows them the know-how to manage an acquisition process to come into government, do public service, and then return to their careers.

I can't pretend I have an answer to it, but I will tell you that's a part of the problem.

Senator HAGAN. It certainly seems like something that we need to work together on, because with these huge numbers of vacancies it's certainly posing problems and risks in this area.

Secretary GATES. It's not a problem when we hire an accounting major or a business major out of a university and they decide to make a career at the DOD. It's not a problem when we try to create, recreate a contracting career field in the Army, which had basically disappeared. When we're dealing with career people it's not really an issue. But it's when you're trying to go after more senior officials, like the senior acquisition executives in each of the services. These people manage billions of dollars and you need somebody who has real world experience to be able to make those decisions and those recommendations. Getting people at that level and more senior levels who have the credentials to be able to do the job is very tough.

Senator HAGAN. Thank you.

I also wanted to ask a question on drawing down the troops in Iraq. As President Obama has stated, and you've discussed that too, the question I have is how secure will the remaining troops be? I get that question all the time. Do you believe that we're doing all

we need to do in order to ensure that the remaining troops are secure? Do you foresee any situation where we would have to put more people, more troops, in Iraq in a situation? Do you have contingency plans that you're preparing for that?

Secretary GATES. No, I don't see a circumstance in which we would have to put more people into Iraq. I think that the plans that General Odierno has drawn up for consolidating our forces and the idea would be that there would be several sites in Iraq that would not only have our military forces, remaining military forces consolidated, but that that's where our civilian capacity would be concentrated as well, so we can provide protection for the civilians who are out working in the communities and out doing that part of the job in Iraq as well.

I've seen General Odierno's plans to move to this advisory and assistance role for the United States, both civilian and military, and I have great confidence in the plans that he has drawn up.

Senator HAGAN. Thanks, Secretary Gates. I look forward to working with you.

Chairman LEVIN. Thank you, Senator Hagan.

Senator GRAHAM.

Senator GRAHAM. Thank you, Mr. Chairman.

Mr. Secretary, thanks for staying on. I was delighted when I heard it, a bit surprised, but America wins when you stay. So we really appreciate that.

From Iraq's point of view, let's look down the road at the end of the SOFA. Do you think it's in our national security interest long-term to have a sustained relationship with the people of Iraq if they are willing to do that?

Secretary GATES. Yes, sir, I do.

Senator GRAHAM. It would be a stabilizing force in the Mideast not known today; would that be true?

Secretary GATES. Yes, sir.

Senator GRAHAM. They're right between Syria and Iran and it would be good to have a friend in that neighborhood.

Secretary GATES. There are a lot of our friends and partners in that region that I think would welcome it a lot.

Senator GRAHAM. Now, we have about 15,000 prisoners still at Camp Bucca, I believe. Are you confident that the Iraqi penal system, prison system, and legal system can accommodate all these people in the next year, 2 years?

Secretary GATES. My hope is that the transition plans that are being put in place by General Odierno and with the Iraqis will be satisfactory. As I mentioned earlier, we have over the last year or so released probably 16,000 people from Camp Bucca. I must say that beginning about 2 or 3 years ago the leadership that we had, beginning with General Stone, the leadership we've had at Camp Bucca has been absolutely extraordinary in sort of separating the wheat from the chaff and getting some rehab programs going and reconciliation programs.

So I think those programs combined with the transition should give us some heart that this will work out okay.

Senator GRAHAM. I couldn't agree with you more. I think one of the unsung heroes of the war would be General Stone and the process he's put in place at Camp Bucca.

But I'm fairly familiar with the prison population. There are going to be hundreds, if not thousands, that are going to be hard to reconcile, that are foreign fighters, and I just encourage you to work with the Iraqi government to make sure that we are thinking long and hard about when to let these people go and where to let them go.

Now let's go to Afghanistan. You said something I think America needs to understand, that we need to have realistic goals. That is to make sure that Afghanistan is not a safe haven for international terrorism, the Taliban, or al Qaeda, like it was on September 11. I understand that and I think people need to know that.

But we cannot win in Afghanistan without Pakistan's help; do you agree with that?

Secretary GATES. Absolutely.

Senator GRAHAM. Do you believe the Biden-Lugar legislation would be beneficial to the relationship between our country and Pakistan?

Secretary GATES. Absolutely, and the amount of money is important, but just as important is the fact that it is a multi-year commitment. One of the problems that we have with Pakistan is that more than once in the past we have turned our backs on Pakistan, and so they don't have confidence that they can count on us over the long term. So the multi-year aspect of it is really important.

Senator GRAHAM. I think the American people need to understand that our economy is on its knees at home and that there is no end in sight. But the money that would be spent under Biden-Lugar and the sustained relationship that that would envision between us and Pakistan is worth its weight in gold, literally. We cannot win in Afghanistan unless Pakistan is on board.

Is it fair to say that casualties in Afghanistan are likely to go up?

Secretary GATES. I think that's likely.

Senator GRAHAM. The amount of money we spend is likely to go up in the short term, maybe the foreseeable future?

Secretary GATES. Yes, sir.

Senator GRAHAM. Now, when you said that the goal was a place that did not harbor terrorists, one of the ways to achieve that goal is to make sure the Taliban does not fill in the vacuum, right? So that means you have to have a legal system the people can trust and not a shura court run by the Taliban?

Secretary GATES. Right.

Senator GRAHAM. It means an economy that people can make a living without turning to drugs, right? It means governance, where people buy into the idea that their government represents their interests. All those things are essential to not provide a safe haven for the Taliban or any other group; do you agree with that?

Secretary GATES. Correct.

Senator GRAHAM. When we say don't have unreasonable expectations, I agree. But the basic elements to keep the country from becoming a safe haven requires institutions to be built that don't exist today. So on behalf of my view of this and the new administration, I think the time, the money, and the casualties we're going to sustain in Afghanistan are necessary and important to make sure that Afghanistan does not become, in the future, a safe haven for terrorism to strike this country again.

Bottom line is it's going to be tough, it's going to be difficult, in many ways harder than Iraq. Do you agree with that?

Secretary GATES. Yes.

Senator GRAHAM. Now, when it comes to civilian casualties in Afghanistan, are you spending a lot of time to minimize that?

Secretary GATES. Yes, sir. I have taken a lot of time with this myself. It was the primary subject of my conversations with both President Karzai and with General McKiernan and his staff when I last visited Kabul. I think we have, particularly in terms of how we respond when there are civilian casualties, been too bureaucratic about it. Our approach has been in a way classically American, which is: Let's find out all the facts and then we'll decide what to do. But in the meantime, we have lost the strategic communications war.

So the guidance that I provided is that our first step should be: If civilian casualties were incurred in this operation we deeply regret it, and you have apologies, and if appropriate we will make amends. Then we will go investigate, and then we will figure out whether we need to do more or, frankly, if we paid somebody we shouldn't have, frankly I think that that's an acceptable cost.

But we need to get the balance right in this in terms of how we interact with the Afghan people or we will lose.

Senator GRAHAM. I could not agree with you more. Instead of saying there were 14, not 16, we need to say we're sorry if there was one, and move forward.

I just want to end on this note. There's two sides to this story. The Afghan government army doesn't have an air force. Do you believe that the rhetoric of President Karzai when it comes to civilian casualties has been helpful or hurtful? Quite frankly, I am very displeased with the rhetoric coming from the president. We're trying very hard to minimize civilian casualties. The enemy integrates itself among the civilian population on purpose. I would love an Afghan to go through every door in Afghanistan, not an American soldier, but they don't have the capacity. I would argue that our Air Force and our Navy is probably the best people in town to have to minimize casualties.

Do you believe that his rhetoric has been helpful or hurtful when it comes to dealing with this issue?

Secretary GATES. I don't believe that his rhetoric has been helpful. I must tell you that when I was last there and visited Bagram, I got a briefing on the procedures that our pilots go through to try and avoid civilian casualties and how, with film clips of how they abort missions at the last minute if a truck drives into a village, and things like that.

I took a significant element of the Afghan press with me, with their cameras, so that they could see that briefing and see just how hard we do work at trying to avoid civilian casualties.

Chairman LEVIN. Thank you, Senator Graham.

Senator Begich.

Senator BEGICH. Thank you very much, Mr. Secretary, and congratulations, I guess again, that you're going to continue on to serve. After Senator McCaskill mentioned that she wanted to be in the alley with you with the knife, I'm not sure I want to do my two

parochial things here at this moment, but I will, and I have a broader couple questions.

I just want to make a quick short comment to see how you feel. I know you're aware of the Ground-Based Midcourse Defense (GMD) System we have in Alaska at Fort Greeley, the GMD. I'm just curious to hear what your comments are on that and how you feel this fits into the strategic needs of the military?

Secretary GATES. I think that we have a missile defense capability that is able to take on a rudimentary threat. It is clearly not aimed at dealing with a large-scale threat, for example from either Russia or from China. I happen to think it's important. I think that having a layered defense such as we are building, that includes the ground-based interceptors, is very important.

Senator BEGICH. Very good. Thank you very much.

The single ones are very, very small. I just want to make you aware that the delegation—Congressman Young, Senator Murkowski, and I—sent you a letter regarding an issue with some of our folks, our Territorial Guard. These are 26 folks that are probably in their mid-80s now. They have been receiving military retirement for some time and they were just notified as of February 1 they will no longer receive it because of some glitch in the law.

We are working on a piece of legislation to solve that problem. But the reality is, this is in the middle of winter in Alaska. It is folks who have served our country as Territorial Guard. They are Alaska Native community and they are subsistence live-ers, so the cash that they receive in retirement is their only lifeblood to a cash economy.

There's a letter that's been sent to you and I hope you would take note of it. It is a small group, but a significant impact to us. I just wanted to bring that to your attention while you were here.

Secretary GATES. Okay, and my understanding is that Secretary Geren is working on this issue.

Senator BEGICH. He is and he's been very supportive on the new legislation. Our concern is February 1 is around the corner, so we're concerned and we're trying to figure out how to ensure that they continue to receive payments.

I am very happy that you're looking at the procurement and the purchasing process. As a former mayor, I had to deal with this more than I probably ever thought I would as an executive. But I do want to just give you a couple comments. I agree with your comments on how you deal with recruitment of those senior members. I guess I would be very anxious to help in any way I can.

I know as a mayor we had to do that on a regular basis. They were high-priced folks. Sometimes they had worked in the private sector, people who had bid on city stuff in the past.

But they had the experience we needed, so we had to really recruit aggressively in order to get them and maintain them in our workforce. So I recognize the struggle. I would be anxious to work with you on that.

Is there also a pay issue or not with these senior levels? To have this kind of vacancy factor, 43 percent, that's very significant.

Secretary GATES. I don't think the pay aspect is a significant one. That is not something that has been brought to my attention as an issue.



Senator BEGICH. I would be very anxious to work with you on that.

Also, a technique we implemented in our city. When people do capital projects, especially private contractors—and we did a \$100 million plus building. What we did with them this time, the first time in the city's history, we required the owners of the company to personally guarantee any cost overruns, which has never been done in Anchorage, because usually they just come in with an order to up the amount and get their check.

We made them personally guarantee it, and lo and behold, the project came in a month early. It came in \$6 million under budget.

We also made an incentive, that we would split the difference with them. They save it, we'll split it. It was a design and build project. So on smaller projects it's amazing how quickly they become responsive when they have to sign personally. In that project we had four owners and they were required to pay \$8 million personally if they did not meet the guarantees that they had committed to in their contracts. The first time the city of Anchorage had ever done that, and it worked.

The bigger ones are much more difficult, but it sure did make them responsive.

The other thing I'll just mention, you had in your written testimony, you had talked about post-traumatic stress disorder (PTSD) and some of the issues surrounding that. Your comment here was, I believe, "We have yet to muster and coordinate the various legal policies, medical and budget resources across the DOD to address these types of injuries."

Are you working or is it your intent to work on a plan that we could see what kind of resources you need? This is a strong interest to me and I would be very anxious to see how you proceed on that.

Secretary GATES. Sure. Congress actually, Senator, has been very generous to us in terms of money for dealing with both PTSD and traumatic brain injury. I think the issue is more making sure that the money get spent in the right way and is targeted properly.

Senator BEGICH. Is that something that, as your comment here indicates, will you then at some point report back to us on how you're achieving and whatever areas you need assistance in?

Secretary GATES. Sure.

Senator BEGICH. Last two quick ones. One is you'll hear from me on probably a regular basis, the status of the military family and how we need to do additional work and additional services. Are you willing to, and maybe you have already done it and I'm just not familiar with it, report to Congress in regards to the status of the military family and the needs they have as the military has changed dramatically over the last 30, 40 years?

Secretary GATES. I think we've done a lot of that over the last couple of years and perhaps even before, Senator. We'd be happy to send some folks up to brief you. The Services all have extremely ambitious family support programs and I can assure you that the leadership, both civilian and military, of the Services, as well as the Department, take this extremely seriously.

The saying is you enlist the soldier and you reenlist the family. This is the longest war we have fought with an All-Volunteer Army since the Revolution. We have learned a lot in terms of the stresses

on the families in an All-Volunteer Force, and particularly with repeated deployments of the servicemember and so on.

So along with the lessons we've learned about counterinsurgency and so on, it seems to me one of the important lessons we need to absorb and institutionalize is the importance of taking care of our military families, and that the range of resources that are out there for them to provide support both when the soldier is at home and deployed.

Senator BEGICH. Thank you very much.

My time is up. The last comment I'll just make; no answer at this point. But if you ever get an opportunity to move to a 2-year budgeting cycle, I would be a big, big supporter, so you can manage people rather than paper. We did that in Anchorage and it made a huge difference. So anything I can do to help you in that endeavor, I will be there.

Secretary GATES. Thank you.

Senator BEGICH. Thank you.

Chairman LEVIN. The first thing I would hope you would do is touch base with our appropriators.

You see the kind of struggle that the Secretary has.

I just have a few loose ends I want to pull together here. One, I want to commend you on the Afghan policy which you've enunciated, the wisdom of it, the strength of it, the passion you put into it; that this war has to be a war of the Afghan people against those who would try to destroy their country and their hopes and dreams. Minimizing civilian casualties is part of that, but the economic picture is part of it as well.

I would just bring to your attention in terms of the economic hopes one program, which is called the National Solidarity Program (NSP). I don't know if you're familiar with it, but it's a program where our agency, I think it's USAID, gives a few tens of thousands of dollars directly to villages, without anything skimmed off by the central government. I visited near Bagram three villages that had come together to build a school with a few tens of thousands of dollars. The feeling, the possessive feeling that they had about that school finally in their area—it's something like "Three Cups of Tea" on the Pakistan side, that book that was written.

These villagers, their leaders came together just to greet me and to tell me that the Taliban would never dare touch that school; they will protect that school with their lives.

I'd like you to become familiar with the NSP because it fits in directly with what you have talked about.

Second, in terms of the comments about trying to explore the possibilities of doing some things jointly with Russia on missile defense and the importance of exploring that, what it could mean strategically in terms of kind of reducing the Iranian threat if they saw us and the Russians working together. You mentioned that you do think it's worthy of continuing those explorations.

You pointed out that NATO has been supportive of what we've been doing up to now with Poland and the Czech Republic. Would NATO, in your judgment, likely support those kind of explorations between us and the Russians if we undertook them?

Secretary GATES. I think they'd welcome it.

Chairman LEVIN. Finally, a number of us have raised the question of the use of contractors in Iraq, including security contractors, and that we need to look at that, particularly for lessons learned purposes as it might affect what we do in Afghanistan, and you're in the middle of looking at that and reviewing that, which is more than welcome.

Again, I would in that line request that you promptly respond to the December 9 letter, because that's really what that letter from me to you is all about.

We thank you again. Obviously, I think every member of this committee thanked you for continuing your service to this country, and that consensus I hope gives you a real boost. I know you're struggling with the arm wrestling that you undertook. But we hope that you're given a real boost by the support that you got from every member of this committee and the gratitude that we expressed for your continued service. If you'll pass that along to your family as well.

With that, we will stand adjourned.

[Questions for the record with answers supplied follow:]

#### QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

##### FIELD MEDICAL EVACUATION AND MEDICAL AND SURGICAL CAPABILITIES IN AFGHANISTAN

1. Senator BYRD. Secretary Gates, what steps have been implemented to improve field medical evacuation (MEDEVAC) and first line medical and surgical capabilities in Afghanistan?

Secretary GATES. In November 2008, I directed a comprehensive bottom-to-top review on how to best synchronize efforts in theater and accomplish the goal of improving the MEDEVAC benchmark to a 1-hour execution standard in Afghanistan. Improving MEDEVAC response times requires a systematic approach and the synchronization of aircraft, medical capabilities, communication, infrastructure, and security to support these operations.

Based on detailed analysis and coordination, we are now executing a course of action that achieves parity of MEDEVAC operations in both theaters to the mission completion planning standards currently used in Iraq. The specific details of this solution are classified, and were briefed to the Senate Armed Services Committee (SASC) staffers on February 12, 2009.

2. Senator BYRD. Secretary Gates, with regard to field MEDEVAC and medical and surgical capabilities in Afghanistan, what measures to improve timeliness and effectiveness are being considered but have yet to be implemented?

Secretary GATES. In October 2008, Central Command (CENTCOM) implemented procedural changes to MEDEVAC launch reporting requirements that have already significantly decreased Regional Command-East (RC-East) and Regional Command-South (RC-South) average MEDEVAC mission completion times.

To decrease these times further, CENTCOM has submitted two requests for forces to increase the capability currently in Afghanistan. The Joint Staff, in conjunction with U.S. Forces-Afghanistan and CENTCOM, conducted further analysis, and based on those recommendations, we are sourcing additional MEDEVAC and surgical assets which will further augment these capabilities in Afghanistan. We have also resourced a MEDEVAC "bridging strategy" to immediately increase MEDEVAC capability in theater prior to the arrival of these forces. According to General David McKiernan, these forces are sufficient to bring the MEDEVAC missions in RC-East and RC-South to the same standard used in Iraq.

3. Senator BYRD. Secretary Gates, what are the greatest impediments (e.g., lack of equipment, lack of personnel, dwell time) to providing more expedient field medical services to our troops deployed to remote locations?

Secretary GATES. The Department of Defense (DOD) currently provides the highest standards of lifesaving care for all of its U.S. service men and women deployed to remote locations in Afghanistan and Iraq—and we are deploying medical capabilities and assets farther forward on the battlefield than ever before.

Providing the most expedient field medical services, including shorter MEDEVAC response times, require a systematic approach and the synchronization of aircraft, medical capabilities, communications, infrastructure, and security to support these operations. In Afghanistan, the challenges of extreme weather, the necessity for hoist operations and significant differences in terrain contour and elevation increases the risk and total mission time of MEDEVAC missions. However, our experiences in Operation Enduring Freedom (OEF) and Operation Iraqi Freedom (OIF) suggest that far-forward resuscitation and stabilization rendered during the “platinum 10 minutes” by combat lifesavers, medics and corpsmen are contributing significantly to our troop survival rates.

During the length of these wars, there have been a number of ongoing improvements to the DOD’s forward medical treatment & stabilization capabilities, such as:

- Self-Aid/Buddy Aid: All deploying military personnel are now issued an Individual First Aid Kit which includes the latest in medical supply innovations (Combat Application Tourniquet, Combat Gauze, Nasopharyngeal Airway, et cetera)
- Combat Lifesaver: Now trained and equipped to treat penetrating chest trauma and tension pneumothorax; more extensive supplies stocked as part of Combat Lifesaver bag
- Combat Medic/Corpsman: More extensive Combat Casualty Care training; has skills comparable to an Emergency Medical Technician-Intermediate or -Paramedic
- Forward Surgical Team/Forward Resuscitative Surgical System: deploys lifesaving operating room capability to the Brigade/Regimental area and forward to save the lives of casualties whose injuries are so severe that they would not survive transport to theater hospitals

Fighting a prolonged war on two fronts, in addition to continuing our global engagement in the war on terrorism, has stretched our military forces, especially those in low-density, high-demand areas. However, thru the creative use of Joint Sourcing solutions, we have been able to continue to support all missions and requests for forces with the appropriate unit fills.

4. Senator BYRD. Secretary Gates, when will you be able to schedule a briefing with my staff to address the nature and scope of this problem, as well as measures that the DOD is taking to address this matter?

Secretary GATES. The Joint Staff J3 and Joint Staff Surgeon provided a classified brief to the SASC staffers on February 12, 2009.

SASC Staffers in attendance were:

- Professional Staffers: Bill Sutey, Diana Tabler, Gabriella Eisen, and John Quirk
- Personal Staff: Jim Tuite (from your staff)

#### TRANSITION OF MISSION IN IRAQ

5. Senator BYRD. Secretary Gates, the agreement negotiated with the Iraqi Government calls for U.S. troops to be withdrawn from Iraqi cities by June 2009. Once U.S. Forces have been withdrawn from the cities, what will be their role? What level of redeployment do you see occurring at that time?

Secretary GATES. The Department is working with the Government of Iraq to determine mutually agreeable plans for a responsible withdrawal of U.S. combat forces from Iraqi cities, villages, and localities by June 30, 2009 in full implementation of the U.S.-Iraq Security Agreement (SA). The Joint Military Operations Coordination Committee, as provided for by the SA, is the forum for senior Iraqi and U.S. officers to consult and agree upon the role of U.S. forces after June 30, 2009. Discussions continue with the Iraqis regarding mutually acceptable roles for U.S. forces within the structure of the SA. The Department is currently working with other Federal agencies, as requested by the President, to develop options for a responsible draw-down of U.S. combat forces from Iraq as we continue to seek to improve Iraq’s ability to security itself and continue to develop a long-term strategic relationship.

6. Senator BYRD. Secretary Gates, are the Iraqi security forces (ISF) prepared to effectively assume their responsibilities for border and national security, and basic civil and law enforcement? If not, when will the Iraqi forces be ready to do so?

Secretary GATES. The ISF continue to improve their capabilities, and as we transition responsibility to them over the next 18 months, we believe that they will be ready in most respects. In many cases, they have already assumed responsibility for security with little or no assistance from U.S. forces.

More than 70 percent of the Iraqi military battalions are assessed as being in the lead or operating with minimal assistance from U.S. forces. The Iraqi Air Force flies over 350 operational and training sorties per week and the Iraqi Navy conducts on average 42 independent patrols and 35 boardings per week. Over the last 18 months, the Iraqi military has conducted successful operations in Basrah, Baghdad and other places previously dominated by insurgent groups.

The Iraqi police forces continue to improve and are assuming significantly more responsibility for internal security. For example, local Iraqi police are the primary security force in Anbar province and the Iraqi National Police have greatly increased security through their operations in the volatile Ninewa province.

The different elements of the ISF combined recently and effectively provided a secure environment for the conduct of the Provincial Elections.

All of these examples demonstrate that the ISF will continue to improve and with our continued support, will effectively secure their country. We believe that, though the bulk of U.S. forces will depart Iraq by August 2010, the transition forces who remain will be fully capable of helping the Iraqis achieve full responsibility in a short period of time.

7. Senator BYRD. Secretary Gates, what assistance, if any, will they expect or receive from U.S. Forces in the interim?

Secretary GATES. Though the ISF are becoming increasingly more capable, they still need our assistance providing critical enabling capabilities like logistics, intelligence, and fire support. They also require our technical advisory support to help them continue to develop into a force capable of providing internal and external security.

The Government of Iraq, with our support, is working hard to develop and field these enabling capabilities that will reduce their reliance on the U.S. For example, the Iraqi Ministry of Defense is developing a national supply and distribution network that will support all their combat divisions and accelerated fielding of Iraqi motor transport regiments has significantly reduced their dependency on the U.S. to move supplies.

The Ministry of Interior began fielding a National Police Sustainment Brigade in October 2008. This will be a mobile organization providing support to the four National Police divisions and separate brigades during operations.

#### CONTRACT REFORM, CONTRACT OVERSIGHT, AND FRAUD AND CORRUPTION INVESTIGATIONS

8. Senator BYRD. Secretary Gates, audits conducted by the Special Inspector General for Iraqi Reconstruction and the Government Accountability Office (GAO) have consistently revealed pervasive contracting and oversight problems that have resulted in the loss of billions of dollars due to fraud, waste, or corruption. What are you doing to improve contract accountability and ensure the prosecution of criminal acts?

Secretary GATES. Senior leadership within the Department's acquisition community is combating fraud, waste and abuse. For example, the section 813 senior leader panel on Contracting Integrity, in response to GAO 06-838, stood up 10 committees to improve oversight and management of the contracting and acquisition process. They implemented 20 of the 21 actions identified in 2008 and held one in abeyance to analyze the effect of recent legislation. The panel has commenced implementation of 28 additional actions in 2009. The Department has found the Panel on Contracting Integrity to be an effective DOD-wide forum to identify and deal with vulnerabilities in the defense contracting system.

We are reviewing our processes to comply with regulations and avoid fraud, waste and abuse. The DOD Inspector General and Army Audit Agency (AAA) perform continual audits and theater-specific reviews of contracting-related issues. For the past 18 months, the AAA has audited the contracting processes at the Joint Contracting Command-Iraq/Afghanistan (JCC-I/A) at the request of the JCC-I/A Commanding General. This ongoing review allows for the identification of issues, the implementation of corrective action, and a review at another organization to determine if the corrective action is effective. Additionally, the Deputy Assistant Secretary of the Army (Procurement) has a team of contracting professionals annually perform an in-theater Procurement Management Review to ensure contracting in Iraq and Afghanistan meets the highest professional standards.

Contract accountability and oversight is being continually improved in theater. The implementation of a number of e-business systems will provide real-time and wide-spread access to contract data. Prior to the implementation of electronic sys-

tems, only a “boots on the ground” review of paperwork would allow the identification of problems. The lag time to discover a problem allowed the continuation of sloppy or improper procedures, or in a few instances, fraud. The Standard Procurement System (SPS), a DOD-wide automated contract writing and reporting tool, was implemented for the JCC-I/A on October 1, 2008. SPS will help to ensure consistency and completeness in the writing of contracts in theater and will track and provide timely reports and visibility of contract awards, both through the input of real-time contracting information into the Federal Procurement Data System-Next Generation and through the Army Contracting Business Intelligence System.

9. Senator BYRD. Secretary Gates, the United States has in the past provided ISF with weapons, some of which have quickly found their way onto the black market and into the hands of terrorists. What have you done to improve the accountability of weapons transferred to ISF?

Secretary GATES. I share your concern regarding weapons provided to Iraq’s security forces falling into the hands of terrorist or being sold into the black market. The DOD has carefully reviewed all authorities and programs responsible for exports and transfers of defense articles to Iraq and implemented policies and procedures to improve accountability and prevent misuse of U.S.-provided weapons.

These policies and procedures comply with the requirements of the registration and monitoring program prescribed in section 1228 of the National Defense Authorization Act for Fiscal Year 2008, Public Law 110–181. The registration and monitoring program provides for serial number registration of small arms; an end-use monitoring program for lethal defense articles; and a detailed record of the origin, shipping, and distribution of defense articles transferred to Iraq under the Iraq Security Forces Fund or any other security assistance program.

These policies have been implemented through a DOD issuance requiring all DOD components involved in export or transfer of defense articles to Iraq to comply with section 1228. The Department also verified that all organizations transferring or authorizing the export of defense articles to Iraq have implemented appropriate measures complying with section 1228. The Department is ensuring quarterly reporting by the Multi-National Security Transition Command-Iraq of lethal items transferred and compliance assessment visits when appropriate.

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#### QUESTIONS SUBMITTED BY SENATOR EDWARD M. KENNEDY

##### DISPLACED PERSONS IN IRAQ

10. Senator KENNEDY. Secretary Gates, many of us are concerned about the millions of displaced persons in Iraq and the region and are interested in knowing what reports or assessments DOD has prepared regarding the likelihood of their returning to their homes and communities in the short-, medium-, and long-term?

Secretary GATES. The State Department has the lead on this issue. DOD does not produce formal assessments regarding the likelihood or the pace at which displaced persons might return. DOD monitors observable displacement and return trends reported by U.S. Forces or other agencies, especially if the volume of returns ignites renewed violence or degrades hard-won security gains. DOD participates in inter-agency deliberations on Iraqi displacement and returns.

11. Senator KENNEDY. Secretary Gates, we have similar concerns and would like the same assessment from the DOD about displaced persons and refugees in Afghanistan and Pakistan. Would you provide this information to the committee and continue to keep us apprised of developments and assessments in this area? Additionally, we would like to know which office in DOD is responsible for this area.

Secretary GATES. Although DOD monitors these issues, the Department of State, with the U.S. Agency for International Development (USAID), generally has the lead on this issue within the U.S. Government. We at DOD are concerned about the situation of refugees and displaced people in Afghanistan. The DOD’s twice annual report on Progress toward Security and Stability in Afghanistan (submitted pursuant to the 2008 National Defense Authorization Act) addresses the issue of displaced persons and refugees. DOD supports these efforts within its means and capabilities.

Within DOD, the Office of the Assistant Secretary of Defense for Asian and Pacific Security Affairs (APSA) oversees this issue. APSA coordinates closely with counterparts within DOD and in the Department of State and USAID. I will keep you apprised of any developments or assessments DOD conducts in this area.

## QUESTIONS SUBMITTED BY SENATOR JACK REED

## ENERGY EFFICIENCY TECHNOLOGIES

12. Senator REED. Secretary Gates, in addressing the energy challenges that face the Nation, I believe the DOD can play a dual role of investing in advanced research and manufacturing of new energy technologies, and by acting as an early adopter of these technologies to help lower their cost and help initiate their more wide-scale adoption. What steps will you take to make DOD an aggressive early adopter of advanced energy technologies, for example by leasing or purchasing hybrid electric vehicles for use on DOD installations?

Secretary GATES. We have increased our investment in developing, testing, and procuring energy technologies from about \$400 million in fiscal year 2006 to \$1.3 billion in fiscal year 2009. We are testing and validating these technologies, and expanding successful demonstrations for broader use. Initiatives cross a broad range of functional areas, focused on reducing demand, increasing assured supply, and improving business processes, and all could lead to greater commercial use. Examples include:

- Nellis Air Force Base, NV, which has the largest solar farm in the Americas, providing  $\frac{1}{4}$  of the base power.
- Insulation of tents in Iraq and Afghanistan, for a 30–60 percent reduction in energy consumption.
- Development of efficient jet engines with a 25 or greater improvement in fuel efficiency.
- LED lights in Wedge 5 of the Pentagon, providing a net savings of \$4 million over life of the fixtures.
- Development and certification of affordable synthetic and biofuels.
- Development of high efficiency, compact fuel cells.

13. Senator REED. Secretary Gates, do you plan on focusing more effort on energy research and on investing in manufacturing of advanced energy technologies?

Secretary GATES. The Department has made a significant investment in developing and procuring energy technologies. Our current annual investment is approximately \$1.3 billion and includes investments in manufacturing and facilitization for fuel cell components, solar power, and high-density energy storage devices. We recognize the value of energy, both financially and in terms of operational capability, and are developing a prudent energy program that balances requirements and opportunities with competing priorities.

## DEFENSE LABORATORIES

14. Senator REED. Secretary Gates, what are the major challenges you see facing DOD laboratories and technical centers as they seek to stay technically competitive with their Federal, industry, academic, and global peers?

Secretary GATES. The ability of the DOD laboratories and technical centers to support the Department's missions through research and technology development is important for our national security. Over time, specific challenges for laboratories and centers change, but these challenges tend to cluster around recruiting and retaining personnel, balancing the need for security with the need to collaborate, and having access to world class equipment. The Department needs to attract and retain a workforce that is competitive with hiring mechanisms that provide flexibility to recruit the best, and we need to maintain a workforce environment that will retain and reward them. Laboratories and centers must maintain modern, high-quality facilities both to accomplish their technical work and to retain a high-quality scientific and engineering workforce.

15. Senator REED. Secretary Gates, what steps will you take to improve the quality of the laboratories' technical workforce and research infrastructure?

Secretary GATES. To enable laboratories to attract scientific and engineering personnel, I am implementing authorities granted by Congress for expedited hiring of highly qualified experts, medical personnel, acquisition personnel, and, for selected Science and Technology Reinvention Laboratories professional scientific and engineering personnel with advanced degrees.

I will be evaluating the effectiveness of existing personnel demonstration programs conducted at Science and Technology Reinvention Laboratories to identify which approaches have proven to be effective in: addressing workforce recruitment, retention, technical qualifications and imbalances; improving laboratory quality and effectiveness; and assessing whether there are approaches that the DOD may choose

to pursue across its entire science and technology workforce. I will also review other relevant authorities available to the Department to assess their effectiveness and applicability to other Departments.

Beyond these steps, we have conducted the first prize challenge led by the DOD Research and Engineering (DDR&E) team. The Department has the authority to approve additional prize competitions at DOD laboratories. These challenges connect DOD to nontraditional providers, generate awareness of DOD needs and programs, and invigorate the creativity of our lab personnel. DOD needs to expand these programs to encourage creativity and innovation in our DOD labs and warfare centers.

#### TEST AND EVALUATION ENTERPRISE

16. Senator REED. Secretary Gates, how would you assess the state of the Department's test and evaluation enterprise, including test resources and ranges, instrumentation, and workforce?

Secretary GATES. The Department views test resources as an all encompassing term that includes the workforce, infrastructure, funding, and associated processes that result in needed test and evaluation capabilities to support our acquisition programs and ultimately our men and women in uniform. To ensure adequate funding, management, and support of these test ranges and resources, 10 U.S.C. 196 directs the Secretary of Defense to establish a DOD-level resource management organization, the Test Resource Management Center (TRMC) to provide robust and flexible test and evaluation capabilities to support the development, acquisition, fielding, and sustainment of defense systems.

##### *Workforce:*

There are about 13,500 military and civilian personnel located across some 24 activities that comprise what is known as our Major Range and Test Facility Base (MRTFB). The ratio is about 2-to-1 civilian to military.

During the past decade there has been an overall 20 percent decline in work years across the MRTFB due to reductions in manpower. That decline has stabilized during the fiscal year 2005–fiscal year 2007 time period primarily due to increased activity in support of our two major conflicts. Where there have been government personnel shortfalls, those facilities and ranges have augmented their core workforce with additional contractor support to meet customer demands.

While the workforce that supports the MRTFB continues to meet current demands, our concern is for the future. We will need to continue our efforts to attract and retain the scientists, engineers, and technicians to support our future testing requirement in areas such as Directed Energy, Unmanned Systems, and Information Operations.

##### *Infrastructure:*

As a whole, the assessment of the current test and evaluation infrastructure for the Department remains healthy. Military Department test and evaluation accounts are primarily maintaining stable levels, with the exception of the Army Test and Evaluation Ranges account, but customer requirements are becoming more and more complex. The Military Departments must take a pragmatic approach to assessing capacity and free up existing dollars for investment by divesting of unnecessary or duplicate infrastructure; however, this should only occur after assessing impacts of such divestitures and informing the appropriate stakeholders prior to closure or reduction. In the past, several assets across the MRTFB have been reduced or mothballed without appropriate notification. As a result, the USD(AT&L) signed an interim policy memorandum on January 18, 2008 requiring any action that would result in a change to a test and evaluation capability be approved by the Director, TRMC. TRMC is working with the appropriate military department and Defense agency representatives to develop policy to eliminate this practice and ensure the test and evaluation infrastructure remains capable and available to support the future test needs of the acquisition community.

##### *Funding:*

With the exception of a slight increase in user funding correlating to the post-September 11 era initiation, the overall MRTFB infrastructure and investment funding has changed little over the course of the past several years. Despite the fact that test and evaluation funding has remained relatively constant, it has not experienced an increase, which corresponds with the overall increase in DOD Research, Development, and Acquisition funding. In addition, given the significant increase in emerging, expedited requirements due to U.S. participation in two simultaneous wars, and the resultant increase in test and evaluation workload, the MRTFB buying power



has lost ground. Though the MRTFB funding through fiscal year 2008 has been determined to be sufficient, the Army fiscal year 2010 test and evaluation operations accounts are inadequate. The Army has been tasked to assess the impacts of the fiscal year 2009 and fiscal year 2010 funding reductions to acquisition programs and test and evaluation capabilities. By March 31 of this year, I will be providing a separate report to Congress on a get well plan to address Army test and evaluation range shortfalls.

17. Senator REED. Secretary Gates, what steps will you take to ensure that the Department has the test and evaluation capabilities necessary to support the development of operationally effective weapons systems in the most cost effective and efficient manner?

Secretary GATES. As a result of earlier congressional action, I already have a process in place that assesses the adequacy of DOD's test and evaluation infrastructure and provides me recommendations on needed investments. Congress recognized the need for test and evaluation capabilities and to have a healthy test and evaluation infrastructure capable of supporting the development of complex weapon systems. Section 231 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003 enacted 10 U.S.C. 196 that directed the Secretary of Defense to establish the TRMC, under the supervision of the Under Secretary of Defense for Acquisition, Technology, and Logistics to:

- (1) Review and provide oversight of proposed DOD budgets and expenditures for the MRTFB of the DOD and all other test and evaluation facilities and resources within and outside of the DOD;
- (2) At least every 2 years, develop a Strategic Plan reflecting the needs of the DOD with respect to test and evaluation facilities and resources for the next 10 fiscal years;
- (3) Conduct an annual review of the proposed test and evaluation budgets of the Military Departments' and Defense Agencies with test and evaluation responsibilities and certify whether they are adequate and whether they provide balanced support for the Department's Strategic Plan for Test and Evaluation Resources; and
- (4) Administer the Central Test and Evaluation Investment Program and the DOD test and evaluation science and technology program.

Besides these statutory responsibilities, I require the TRMC to assess the adequacy of the MRTFB to support development and testing of defense systems and to maintain an awareness of other test and evaluation facilities and resources, within and outside the Department, to understand the impact of any changes that occur there on DOD's test and evaluation capabilities. The TRMC provides me regular reports and recommendations on current and projected infrastructure matters to ensure that adequate capabilities exist to support testing of DOD acquisition programs, and that the DOD test and evaluation workforce, infrastructure, and funding will be fully capable of supporting the Department with quality products and services in a responsive and affordable manner.

#### RAPID ACQUISITION PROCESSES

18. Senator REED. Secretary Gates, what do you see as the major challenges to the rapid development and deployment of new technologies to warfighters?

Secretary GATES. There are three major challenges to the rapid development and deployment of new technologies to the Warfighter. They are:

- (1) Availability and alignment of resources in the year of execution. We must have funds available in the execution year to rapidly react to warfighting needs with new technology from commercial sources, prototyping, or accelerated maturation of technology from the Science and Technology base.
- (2) Availability and training of contracting officers that specialize in statutes, authorities and regulations that facilitate rapid response.
- (3) Accepting solutions that are 75 percent to 95 percent ready. By waiting for full development and testing, we defeat the goal of rapid acquisition. With this challenge also comes the difficulty in supporting the transition and sustainment of these rapidly supplied capabilities including deciding which will not be transitioned and sustained.

In recent years, the Department has taken several actions to meet these challenges. With the support of Congress, the Mine Resistant Ambush Protected (MRAP) program has been funded through the MRAP Transfer Fund, which allowed

the flexibility of funding essential to rapid acquisition. We have also used our experiences with MRAP to update acquisition training at the Defense Acquisition University in addition to looking at different alternatives for community management of contracting officers. The Army has also been very successful with its emphasis on contingency contracting by restructuring its contracting corps. The final challenge of accepting a solution that is less than 100 percent has been the most difficult to achieve. We have, however, had success with rapid prototyping and demonstration programs fielding solutions that continued to mature as they were being used. The longer-term challenge will be to transition or phase out these interim capabilities in a way that is equitable and cost effective.

19. Senator REED. Secretary Gates, what steps do you plan to take to address these challenges?

Secretary GATES. The Department adapts to its lessons learned; and, has learned a great deal with the fielding of MRAPs and new capabilities in intelligence, surveillance, and reconnaissance, counter-Improvised Explosive Device, and other emerging technologies. The Department is taking steps to integrate and institutionalize these lessons learned into the Defense Acquisition System, including its science and technology efforts.

The Department intends to develop parallel processes that allow us to wage wars while providing rapid responses to changing threats and conditions, as well as plan for future wars. Additionally, section 801 of the Duncan Hunter National Defense Authorization Act for Fiscal Year 2009 directs the Department to study and report upon the effectiveness of the processes used for the generation of urgent operational need requirements, and the acquisition processes used to fulfill such requirements. The Department will evaluate findings and recommendations from that report and other related studies to address the challenges in adapting technology to quickly fulfill immediate warfighter needs.

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#### QUESTIONS SUBMITTED BY SENATOR BILL NELSON

##### NAVY DECISION TO ESTABLISH A SECOND AIRCRAFT CARRIER HOMEPORT

20. Senator BILL NELSON. Secretary Gates, since the 1980s, the Navy has expressed the importance of strategic dispersal of capital ships like aircraft carriers, and geographic diversity of unique maintenance facilities like radiological work facilities. Accordingly, the Navy deemed one aircraft carrier homeport on the West Coast unacceptable. Consequently, the Navy has three nuclear aircraft carrier (CVN) homeports on the west coast.

In 2005, the Navy began a study to look into the feasibility of homeporting additional surface ships at Naval Station Mayport, and on 14 November 2006, in accordance with the National Environmental Policy Act (NEPA), the Navy began a study to determine the environmental impacts of moving additional ships to Naval Station Mayport. On 14 January 2009 the final Record of Decision (ROD) was signed, recommending that a CVN be homeported in Mayport. Among the reasons stated in the ROD was the need to develop a hedge against the potentially crippling results of a catastrophic event at Naval Station Norfolk, the only East Coast CVN homeport.

Please describe your assessment of the Navy's decision in terms of the Navy's mission and the Nation's security interests.

Secretary GATES. The Navy's Title X mission is to maintain, train and equip combat-ready naval forces capable of winning wars, deterring aggression and maintaining freedom of the seas. To provide this combat-ready and responsive force, ships, submarines, and aircraft must be strategically positioned and homeported. These homporting decisions must meet required response times to contingencies and planned operations, efficiently support global engagement, maximize training effectiveness, and protect the fleet from future threats.

I concur with the Navy's assessment that there is significant national security value in establishing an additional east coast CVN support base. Specifically, there is a clear need to develop a hedge against the potentially crippling results of a catastrophic event in the sole Atlantic Fleet CVN capable homeport. The consolidation of CVN capabilities in the Hampton Roads area on the east coast presents a unique set of risks. CVNs assigned to the west coast are spread among three homeports. Maintenance and repair infrastructure exists at three locations as well. As a result, there are strategic options available to Pacific Fleet CVNs should a catastrophic event occur. In contrast, Naval Station Norfolk is homeport to all five of the CVNs assigned to the Atlantic Fleet and the Hampton Roads area is the only east coast

location where CVN maintenance and repair infrastructure exists. The Hampton Roads area also houses all Atlantic Fleet CVN trained crews and associated community support infrastructure.

There are many factors effecting strategic carrier dispersal such as future threats, the future of Navy force structure and likely cost effectiveness. The 2010 Quadrennial Defense Review (QDR) will assess these factors as well as the costs of upgrading Naval Station Mayport to permanently homeport a nuclear aircraft carrier including follow-on wharf improvements, infrastructure upgrades for nuclear propulsion plant maintenance facilities, and any changes required to comply with the NEPA. These potential costs and potential benefits will be assessed for an additional carrier homeport on the east coast before Defense puts forth the final decision.

21. Senator BILL NELSON. Secretary Gates, please describe the risks to the Nation should implementation of the Navy's decision be delayed.

Secretary GATES. The most significant risk caused by delay in implementing the Navy's decision is the continuing vulnerability of our Atlantic Fleet CVN force to the potentially crippling effects of a catastrophic event in the Hampton Roads area. The Nation can not wait for a catastrophic event to occur before recognizing the potential impacts of such an event and appropriately planning and preparing for continuity of operations. On the most aggressive schedule, it would be no sooner than 2014 before a CVN could be homeported in Mayport. Delaying the process could defer the opportunity to mitigate risk for several years as the process is lengthy. Having a single CVN homeport is not considered acceptable on the west coast and should not be considered acceptable on the east coast.

The Navy will continue with the scheduled dredging of the Mayport channel in fiscal year 2010 to support any future decisions to permanently homeport a nuclear-powered aircraft carrier. Making Naval Station Mayport CVN-capable will be the first step towards providing a second naval port capable of berthing a nuclear carrier in the event of a catastrophic event in Hampton Roads. The final decision on whether to homeport a carrier in Mayport will be made by the 2010 QDR.

#### SURVIVOR BENEFIT PLAN/DEPENDENCY AND INDEMNITY COMPENSATION

22. Senator BILL NELSON. Secretary Gates, under current law, if the surviving spouse of a servicemember is eligible for Survivor Benefit Plan (SBP), that annuity is offset by the amount of Dependency and Indemnity Compensation (DIC) received (approximately \$1,200). I would like to work with DOD to eliminate this offset.

Understanding the challenges you face with balancing discretionary and mandatory spending, please provide your thoughts about this important quality-of-life issue.

Secretary GATES. The offset to SBP for simultaneous DIC entitlement is fair, reasonable, and equitable. To allow receipt of both annuities without offset would create an unjust inequity by giving dual lifetime annuities to certain survivors, while survivors of other deceased former military members would continue to receive only one or the other. If current levels of the annuity for survivors of members who die from service-connected causes are deemed insufficient, perhaps the level of DIC should be reevaluated, rather than allowing dual compensation for a select group.

The current offset process allows dual entitled survivors to receive a lifetime annuity that is the larger of SBP or DIC, while preventing duplication of compensation for the same purpose. It also allows such members to take advantage of the tax-exempt status of DIC. SBP was developed for the military retiree and DIC for the veteran not serving to retirement (to include those who die in Active service). The existing offset rule made it reasonable in 2001 to extend SBP to survivors of members who died on Active Duty before retirement eligibility. This was advantageous, since SBP and DIC are complementary. SBP is based on the pay of a member while DIC is a flat rate; thus, DIC sets a floor for the annuity that is advantageous for junior personnel with fewer years of service, while SBP offers the potential for a higher annuity for more senior personnel with greater years of service. Both programs are highly subsidized by the government (DIC at 100 percent and SBP from 50 to 100 percent), and to pay both would be double payment for the same purpose.

23. Senator BILL NELSON. Secretary Gates, please provide plans, which Congress can consider, that would eliminate this offset over time.

Secretary GATES. As noted in the response to question #22, I do not favor eliminating the SBP-DIC offset and suggest that if current annuity levels for survivors

of former military members who die of service-connected causes are deemed inadequate, the level of DIC should be reevaluated.

#### PAKISTAN

24. Senator BILL NELSON. Secretary Gates, last fall, the New York Times reported a U.S. military operation across the Afghanistan border into the Federally Administered Tribal Areas (FATA) in Pakistan. This was a new initiative for uniformed U.S. military forces to cross the border. It also drew outrage from the Pakistanis.

It is important to brief any and all such operations to the full membership of the Senate Select Committee on Intelligence. DOD continues to refuse to brief anyone but the chairman and ranking member about this alleged operation. What is DOD's role in stabilizing the FATA?

Secretary GATES. DOD is working with Pakistan's military and paramilitary forces to help build their counterterrorism and counterinsurgency capacity to deny terrorists and insurgents safe haven within its sovereign territory, especially in the tribal region of the Northwest Frontier Province and FATA. Through the Security Development Plan, DOD is training and equipping Pakistani military (PAK MIL) and paramilitary security forces to enhance their ability to conduct counterinsurgency operations. This is one element of a broader counterinsurgency initiative that includes a \$750 million, 5-year commitment by USAID to enhance infrastructure development and social welfare in the border region and parallel efforts by the Department of State to enhance the ability of Pakistani institutions to extend their writ of governance into the border region.

#### WAR IN AFGHANISTAN

25. Senator BILL NELSON. Secretary Gates, you have publicly stated that a new Afghanistan strategy is a high priority for the Obama administration. Has President Obama explicitly endorsed the Pentagon's plan to send up to 30,000 additional troops to Afghanistan? If the decision is made, when can we expect the deployment to occur and where in Afghanistan would the U.S. troops be deployed?

Secretary GATES. President Obama has not yet made any decisions on the deployment of additional military forces to Afghanistan. The administration will conduct a strategic review of our policies toward Afghanistan. As we move forward, we will come to this committee and other Members of Congress for advice and support.

Decisions on further deployments of military forces to Afghanistan will be informed by that review.

26. Senator BILL NELSON. Secretary Gates, how will Special Representative Richard Holbrooke's new mandate coincide with that of General Petraeus, who was tasked with a strategic review of U.S. policy in Afghanistan?

Secretary GATES. Special Representative Holbrooke will work closely with my office, and with General Petraeus on all matters related to Afghanistan and Pakistan.

The administration will conduct a strategic review of our policies toward Afghanistan. I am confident that Ambassador Holbrooke and the Under Secretary of Defense for Policy will work together closely on the strategic review. As we move forward, we will come to this committee and other Members of Congress for advice and support.

Early in his command, General Petraeus directed his staff at U.S. CENTCOM to lead an interagency assessment of his entire area of responsibility. I expect the findings of the CENTCOM assessment to help inform the new administration's comprehensive review.

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#### QUESTIONS SUBMITTED BY SENATOR E. BENJAMIN NELSON

##### OUTPATIENT SERVICES FOR MILITARY PERSONNEL

27. Senator BEN NELSON. Secretary Gates, late last year, 57 Senators wrote to you expressing grave concern with a DOD proposal that would subject hospitals to sudden and severe cuts in payments for outpatient services provided to military personnel. In late December, DOD responded with a final policy that, in effect, ignored our concerns. I, for one, am offended and I am reasonably confident that the 56 other Senators who signed the letter agree.

Will you reopen this rule per the Emanuel Memo so you can work with me and my colleagues to ensure implementation of a 15 percent annual limit on losses for all Services until the Medicare-like rates are reached? This will ensure a predictable

and sustainable transition that reaches our common interest of providing quality care to military personnel while being stewards of the public dollar.

Secretary GATES. Yes, the rule was reopened on February 6, 2009 for an additional 30-day period, even though legal counsel believes the decision not to reopen public comment would be fully supportable based on the criteria of Mr. Emanuel's Regulatory Review memorandum of January 20. All new comments will be evaluated. Barring any resulting modification of the rule, TRICARE's Outpatient Prospective Payment System (OPPS) will be implemented May 1, 2009.

Transition was a key element in the development of the Department's implementation plan. The Senators recommended a transition to the Medicare OPPS rates. TRICARE has taken measures to buffer the initial revenue reductions that hospitals will experience upon implementation of OPPS. Under the final rule, temporary transitional payment adjustments (TTPAs) above current Medicare rates will now apply to both network and non-network hospitals. This is consistent with the stop loss transitional period over which the Centers for Medicare and Medicaid Services fully implemented its OPPS rate structure, providing hospitals with sufficient time to adjust and budget for potential revenue reductions. The duration of the TTPAs has also been extended for an additional year for network hospitals. The 4-year network hospital transition period will set higher payment percentages for emergency room and hospital clinic visits. For non-network hospitals, the TTPAs will cover a 3-year period. Under the TRICARE transitional methodology, OPPS payments would be around 80 percent of the total billed amounts currently allowed under TRICARE's charge based reimbursement system for network hospitals. This would approximate the 15 percent stop loss provisions being promoted by the hospital associations. The Department believes that modification of the transitional payment methodology is responsive to the Senators' concerns.

The Department by no means ignored the concerns of the Senators. Appropriate responses were promptly drafted. Circumstances of timing and coordination resulted in a delay, and ultimate change in the original position. This unusual circumstance was compounded by subsequent congressional staff questions, and our legal counsel's review of the Emanuel memorandum relative to this rule. The Department has gone to great lengths to comply with the Senators intent and desires on this issue, but agrees that an apology for our timeliness may be in order.

#### STRESS FROM DEPLOYMENTS

28. Senator BEN NELSON. Secretary Gates, in an American Forces Press Service news article dated 21 January 2009, Admiral Mullen was quoted as saying:

"The next 2 years will be a delicate time for the U.S. military . . . [I] am worried about the force and the stress that repeated deployments place on servicemembers and their families . . . [I] will continue to monitor dwell time, the ability to recruit and retain the force and ways to maintain the balance of the military."

I agree with Admiral Mullen that the next 2 years will be a delicate time for our military. I am also very concerned about the stress that repeated deployments place on our servicemembers and their families. As we embark on these next 2 years, what do you consider are the top personnel issues that must be addressed and what can I do as the chairman of the Personnel Subcommittee to assist you with these issues?

Secretary GATES. I appreciate your support of our military members and all the efforts of you and the committee to take care of our servicemembers and their families and I agree with Admiral Mullen that we have much to do to reduce stress on the forces. Although we face many challenges in the coming years, the top personnel issues should be protecting the totality of resources needed to attract and retain a robust volunteer force and ensuring we take care of our wounded warriors, their families and families of the fallen.

This is the best military we've ever had and its members are making an extraordinary difference even as they and their families sacrifice on behalf of our Nation. Balancing the stress of the force with the health of the force becomes an imperative. We must ensure our personnel have the equipment, training and other resources required to win our Nation's wars and protect military pay and benefits. Of equal importance is providing for the well-being of our military families in ways that will encourage them to support the military members entering and remaining on active duty for full careers.

We must improve and expand our existing support structures for families with greater sensitivity to their challenges and daily sacrifices. We should examine ways to increase spouse employment programs, and child care and development services for working families. Strengthening the support structure could be a decisive factor

in helping families reduce divorce and suicide rates, and have a positive impact on recruiting and retention.

We must honor our responsibility to our Wounded Warriors, their families, and the families of the fallen who have sacrificed everything. Departments of Defense and Veterans Affairs (VA) must partner in screening war veterans for Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injury (TBI) upon return from combat and after discharge from military service. Also, both departments should assist in helping the Wounded Warriors secure meaningful government employment and ensure their health care needs are met.

Again, thank you for your support of our military members and their families.

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QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

AFGHANISTAN

29. Senator MCCAIN. Secretary Gates, in your view, should our near term focus in Afghanistan be protecting the population along the lines of a traditional counter-insurgency strategy, or should it have as its aim the complete elimination of the Taliban and al Qaeda?

Secretary GATES. The administration will conduct a strategic review of our policies toward Afghanistan. The results of that review will help us establish near-, mid-, and long-term goals in Afghanistan and identify ways and means to achieve those goals. As we move forward, we will come to this committee and other Members of Congress for advice and support.

As the United States and its partners work with the Government of Afghanistan to extend its reach into the provinces, we must continue to apply pressure on al Qaeda and other terrorist organizations in Afghanistan. I believe we can effectively degrade their capabilities, deprive them of significant support, and successfully mitigate the threat they pose to the United States and its allies.

30. Senator MCCAIN. Secretary Gates, I believe that we need to develop a comprehensive civil-military plan for Afghanistan, akin to that used in Iraq. I find it hard to understand why we do not have such a plan, and I understand that plans in the works may not encompass the entirety of the country. Can you comment on the need to develop a comprehensive civil-military plan for Afghanistan and to better coordinate civilian and military efforts there?

Secretary GATES. Well-integrated civilian and military efforts in Afghanistan are essential to achieving U.S. objectives in the country. The DOD is working with other government offices and agencies to integrate civilian and military efforts in Afghanistan.

31. Senator MCCAIN. Secretary Gates, how do you assess the contributions of the North Atlantic Treaty Organization (NATO) allies to the effort in Afghanistan, and how do you believe the United States can persuade these allies to increase their efforts as the United States does so?

Secretary GATES. Success in Afghanistan will require greater effort by the U.S., our Allies and our partners. NATO and non-NATO contributors have made notable commitments to the International Security Assistance Force (ISAF) mission, but more needs to be done. President Obama has called for greater contributions from our NATO Allies, either military, or, in support of governance and development. To ensure appropriate burdensharing, we must underscore to our partners the linkage between stability in Afghanistan and the security of our homelands, which warrants additional resources and sacrifices. By committing more of our own resources to the challenge, the United States is better positioned to persuade our Allies to do more.

32. Senator MCCAIN. Secretary Gates, General McKiernan has spoken of increasing U.S. troops in Afghanistan by something on the order of four combat brigades. Do you support this request? Would increasing the number of troops in Afghanistan require us to draw down in Iraq faster than we otherwise might?

Secretary GATES. I do support General McKiernan's request. Based on the analysis of the Joint Staff, the CENTCOM Commander, and the Multi-National Forces-Iraq (MNF-I) Commander, supporting General McKiernan's request for additional troops should not force a change in the pace of a responsible drawdown of forces in Iraq.

33. Senator MCCAIN. Secretary Gates, are we on the same page as our allies with respect to the need to go after narcotics traffickers and drug labs in Afghanistan?

Secretary GATES. The United States supports the increased participation of NATO Allies in addressing the narcotics challenge in Afghanistan. At the Budapest Ministerial in 2008, Defense Ministers agreed to expand ISAF's counternarcotics mandate to conduct counternarcotics missions against narcotics facilities and facilitators supporting the insurgency. The United States supports NATO taking an active role in deliberate counternarcotics interdiction operations and in the training of specialized Afghan counternarcotics forces. However, some nations in ISAF have differing national authorities that may preclude them from participating in counternarcotics activities.

34. Senator MCCAIN. Secretary Gates, do you consider drug labs a legitimate military target?

Secretary GATES. At the request of the Government of Afghanistan, during the October 2008 NATO Defense Ministerial in Budapest, Allied Ministers directed ISAF to take action in concert with Afghans against narcotics facilities and facilitators supporting the insurgency. Where this nexus exists, the drug labs are legitimate military targets. Subject to applicable rules of engagement (ROE), military commanders on the ground now have the flexibility to target narcotics production facilities and facilitators for military action if they are determined to provide support to insurgents.

35. Senator MCCAIN. Secretary Gates, do you believe that DOD should provide support for counternarcotics operations carried out by other agencies, such as the Drug Enforcement Agency?

Secretary GATES. DOD should continue to provide support for counternarcotics operations carried out by other agencies. In accordance with section 1004 of the National Defense Authorization Act for Fiscal Year 1991, as amended, the DOD may provide support to the counterdrug activities of any other department or agency of the Federal Government. This support should come at the request of the supported department or agency in order to assist with capabilities such as transportation, training, intelligence analysis, or language support and should leverage otherwise valid military training or operations. Support can also maintain or repair equipment to ensure future utility for or compatibility and integration with the DOD. DOD may also establish bases of counternarcotics operations or training. The DOD does not provide support to other departments or agencies when such support adversely affects military preparedness.

36. Senator MCCAIN. Secretary Gates, how large do you believe the Afghan National Army (ANA) and the Afghan National Police (ANP) should ultimately be?

Secretary GATES. The currently approved size of the ANA is based on the assumption that levels of violence in Afghanistan are likely to increase in the near future. The currently approved size of the ANA (134,000) included plans to reassess the overall size of the Afghan National Security Forces on a semi-annual basis. We will work with the Government of Afghanistan and the international community to determine the appropriate future size of the ANP based on the existing conditions in Afghanistan.

37. Senator MCCAIN. Secretary Gates, how do you believe we should act to enhance the civilian side of our efforts in Afghanistan?

Secretary GATES. I support efforts to increase the number of civilian officials and the overall non-military level of effort in Afghanistan. As we consider the possibility of deploying additional military forces to Afghanistan, it is crucial that we also look at how we can leverage civilian agencies' expertise to ensure a whole-of-government approach. However, the United States should not shoulder this burden alone. It is important that the international community also contribute more to the non-military lines of effort in Afghanistan.

#### SUPPLY ROUTES IN AFGHANISTAN

38. Senator MCCAIN. Secretary Gates, about three-quarters of "nonlethal" supplies for U.S. and NATO forces in Afghanistan—food, fuel, construction materials and other goods—travel by road from the Pakistani port of Karachi and across the mountainous Afghanistan-Pakistan border through the Khyber Pass. Pakistani transit convoys have repeatedly been attacked in recent months by the Taliban. Earlier this month, General Petraeus said that the United States had reached agreements to open additional logistical routes into Afghanistan through its neighbors to the north. This will reduce dependence on logistics lines through Pakistan. This is an

important development. Do you have the resources and authorities you need to ensure that these logistics lines can be improved, sustained, and protected?

Secretary GATES. Over the past 5 months, we have worked hard across the inter-agency to mature routes to sustain OEF from the north. Representatives from OSD Policy, CENTCOM and Transportation Command (TRANSCOM) continue to visit the region to garner support for our Northern Distribution Network efforts. CENTCOM, TRANSCOM, and Defense Logistics Agency are evaluating requirements and network capabilities to identify required resources and possible over-arching areas for improvement. We have started shipping material through the north and will expand shipments to include a variety of commodities as these routes mature.

#### NATO AND MID-EAST REGIONAL SUPPORT TO AFGHANISTAN

39. Senator McCAIN. Secretary Gates, in February 2008, in testimony before this committee, you said: "I worry a great deal about the NATO alliance evolving into a two-tiered alliance, in which you have some allies willing to fight and die to protect people's security, and others who are not." Earlier this month British Defense Secretary John Hutton criticized other NATO members for their "limited appetite" for the mission in Afghanistan and for "freeloading on the back of U.S. military security." What is your assessment of our allies' current contributions to the NATO mission in Afghanistan?

Secretary GATES. When I testified last year about the Alliance evolving into a two-tiered Alliance, I stated that certain Allies bear a disproportionate share of the fighting and the dying and others opt only for less dangerous or limited missions. We are moving towards adjusting this imbalance, but work remains to be done. We are working with allies, in the context of a U.S. strategic review, to identify shortfalls in forces and civilian assistance to Afghanistan and seeking greater contributions to meet those specific needs.

NATO's mission in Afghanistan falls squarely within the Alliance's role of defending the security interests and values of the transatlantic community and NATO has repeatedly said that Afghanistan is its top priority.

40. Senator McCAIN. Secretary Gates, what is your assessment of the mood in Europe on helping out in Afghanistan?

Secretary GATES. I believe our European partners understand the pressing need for greater resources in Afghanistan and they have expressed a willingness to increase material support for our efforts to strengthen stabilization and reconstruction efforts there. To make this possible, most European leaders recognize that they need to do a better job of communicating the importance of Alliance strategic objectives on their home fronts to ensure sufficient domestic support for greater sacrifices in a critically important, but geographically distant, theater.

In addition to providing military forces, one of Europe's great strengths lies in its ability to provide civilian expertise and development assistance to build better governance in Afghanistan and address the needs of Afghan people, which is the key to long-term stability there.

41. Senator McCAIN. Secretary Gates, will they increase troop levels? Revise national caveats?

Secretary GATES. President Obama has both called for greater civilian and military contributions with fewer restrictions from our NATO allies. We have had and will continue to have frank discussions with allies about the need for all coalition members to make significant contributions and sacrifices to the common cause in Afghanistan. Such contributions extend to both the quantity of forces committed as well as their ability to perform a full range of missions. The President will continue these exchanges with allies at the NATO Summit in April.

42. Senator McCAIN. Secretary Gates, will they increase deployment time of their troops?

Secretary GATES. We recognize and appreciate each country's commitment to the ISAF mission; we are working to secure greater involvement from our allies and partners on both the civilian and military side. Obviously, the length and type of contribution by any particular country is a decision for that country's leaders and public, however, we will continue to urge allies to increase the length of their deployments to the ISAF mission. Where we are able, we will assist partners through pre-deployment training, logistics, and transport if that helps to extend deployments.



43. Senator MCCAIN. Secretary Gates, will they increase the number of civilian experts they send to Afghanistan to help with reconstruction and development?

Secretary GATES. Allies have committed money, personnel and equipment to reconstruction and development efforts, but the demand currently swamps supply in this area. As one of the poorest countries in the world and one that has suffered through more than a generation of war, Afghanistan's development challenges are daunting. Four out of five Afghans make their living from farming, yet widespread drought and a crumbling agricultural infrastructure have created an opening for illicit opium production to supplant the legal agricultural economy. While Afghanistan has made significant strides since 2001 in health care delivery, life expectancy is still below 45 years and more than half of Afghan children are growth-stunted from poor nutrition and disease. While progress has been made towards primary education in Afghanistan, fewer than half of adult males and only one in eight females can read, impeding the professionalization of the Afghan Government and security forces and limiting economic growth.

I look forward to working with our international partners to help create a truly comprehensive civil-military strategy to help the Afghans build the necessary foundation for a stable and secure Afghanistan. Convincing our Allies to provide more civilian experts and other resources is a key priority in developing Afghan capabilities to sustain itself in the future.

44. Senator MCCAIN. Secretary Gates, do the Nations of the Middle East have much to offer to efforts to stabilize and rebuild Afghanistan?

Secretary GATES. The nations of the Middle East have demonstrated they have much to offer the Afghan people. We understand from the Government of Afghanistan that the Gulf countries pledged a total of \$287 million in financial support at the Paris conference in 2008. As we work to stabilize and rebuild Afghanistan, there are other areas in which other nations, including the Gulf nations, can also contribute, such as:

- training, equipping, and advising Afghan National Security Forces—as the U.S. is doing—to improve the size and quality of the ANA;
- helping fund sustainment of an expanded ANA;
- supporting the 2009 and 2010 Afghan elections through increased forces, financial assistance or civilian monitors and observers;
- sending civilian experts and equipment to help build Afghan capacity in areas such as medical care, engineering, and agriculture; and
- ensuring that their governments are doing everything they can to halt financing of the Taliban, whether through the legitimate banking system or illicitly through the drug trade, to include strengthening counterterrorism finance laws.

45. Senator MCCAIN. Secretary Gates, what can you tell us about what Arab countries contribute to Afghanistan?

Secretary GATES. Arab countries support the U.S.-led OEF and NATO-led ISAF missions in various capacities, to include contributing resources and personnel for hospital and medical assistance. Arab nations have also pledged financial assistance to Afghanistan, most recently at the June 2008 Paris Support Conference.

#### COUNTERNARCOTICS ACTIVITIES IN AFGHANISTAN

46. Senator MCCAIN. Secretary Gates, in August 2008, the United Nations' Afghanistan Opium Survey showed a 19 percent decrease in opium cultivation compared to 2007. While that is something of a positive development, the report also showed a distinct geographical overlap between regions of opium production and the zones of insurgency demonstrating the inextricable link between drugs and conflict.

Illicit drugs and terrorists should not determine the fate of Afghanistan. The opium economy will continue to prosper unless there is a crackdown on corruption in Afghanistan. As you proceed through the strategic reviews on Afghanistan: here in the U.S.; with our NATO allies; and with the Afghan Government are we coming to the point where we have reached a general accord about going after poppy cultivation and the drug trade in Afghanistan?

Secretary GATES. The narcotics trade is a threat to stability and security in Afghanistan as it feeds the insurgency and corruption. We are working closely with counternarcotics forces in the Afghan Ministries of Interior and Defense to increase their counternarcotics capabilities. The development of competent indigenous forces is a key factor in fighting the insurgency. The Government of Afghanistan and the United States both acknowledge the corrosive effects of opium trade on stability and security. At the October 2008 NATO Defense Ministerial, NATO Allies acknowl-

edged the threat of the opium trade to stability and security in Afghanistan and issued a joint statement indicating willingness to provide support. As an active participant in the U.S. Government interagency policy formulation and review process, DOD supports the five-pillar counternarcotics strategy for Afghanistan developed and published in 2007.

47. Senator MCCAIN. Secretary Gates, is it clear to all parties that we may not be able to achieve our mutual goals in Afghanistan without going after the drug problem?

Secretary GATES. The nexus between the narcotics trade and the insurgency is clear. We are working closely with Afghan security forces and our allies to tackle the problem. As long as the Afghan narcotics trade continues to provide material support to the insurgency, the counterinsurgency campaign in support of the Government of the Republic of Afghanistan will continue to realize uneven success.

48. Senator MCCAIN. Secretary Gates, in a press conference on January 22, 2009, you said that the pursuit of drug labs and drug lords is "fair game" for U.S. Forces in Afghanistan if there is evidence that those drug labs and drug lords have ties to the Taliban. Do you have all the legislative authorities you require to go after drug labs and drug lords in Afghanistan?

Secretary GATES. At the present, DOD has the necessary legislative authorities to support counternarcotics operations in support of the counterinsurgency campaign in Afghanistan. I will keep you advised should we need additional authorities.

49. Senator MCCAIN. Secretary Gates, when will Afghan security forces be prepared to take this task over themselves?

Secretary GATES. Narcotics is a major concern in Afghanistan and we are taking this issue seriously. The Counternarcotics Police of Afghanistan are being trained by the interagency to mitigate this problem in the long term. Although the Afghans are making great strides in the counternarcotics realm, it will take several years before police units will have the expertise required to conduct sophisticated investigations and interdiction operations independently.

50. Senator MCCAIN. Secretary Gates, what efforts are being taken at Afghanistan's borders to stop the smuggling into Afghanistan, of precursor chemicals used to process heroin?

Secretary GATES. The Border Management Initiative through the U.S. Embassy Kabul's Border Management Task Force aims to improve customs and immigration performance at all ports of entry and customs facilities, to reduce illegal narcotics flow out of Afghanistan, and of insurgents, weapons, and precursor chemicals into Afghanistan and to increase revenue through proper customs procedures. Additionally, the construction of border crossing points in Islam Qala, Toreghondi, Shir-Khan, Bander, and Spin Boldak as well as the refurbishment of existing facilities also enable the Afghan Border Police to stem the flow of opiates out of Afghanistan and to prevent the flow of precursor chemicals into Afghanistan. Finally, the DOD provides advanced training and additional equipment to the Afghan Border Police in order to enable it to counter the insurgent and narcotrafficker threat more effectively.

51. Senator MCCAIN. Secretary Gates, do you believe we can count on the Afghan Central Government to seriously address the drug problem during the upcoming election period?

Secretary GATES. There is no alternative. The Government of Afghanistan has identified the drug problem as a priority. The Department, working with the Drug Enforcement Administration, has and will continue to focus on building Afghan capacity to disrupt drug trafficking organizations and decrease narcotics trafficking and processing in Afghanistan. Such assistance included building new counternarcotics bases of operations, and establishing and operating an Afghan Ministry of Interior counternarcotics helicopter squadron. The Department has also helped Afghanistan control its borders to stop the flow of illicit drugs and precursor chemicals by constructing border-crossing checkpoints and providing necessary training and equipment to the Afghan Border Police.

The Department has worked with the Department of State to help Afghanistan surpass last year's eradication efforts by retraining the Afghan Central Government's Poppy Eradication Force and assisting the Afghan Ministry of Defense in providing security support for eradication. The Department is doing everything it can to bolster the Afghan Government's will and capacity to counter its drug problem.

## IRANIAN ACTIVITY IN IRAQ AND AFGHANISTAN

52. Senator MCCAIN. Secretary Gates, do you have any evidence that there are more or fewer Iranian-made weapons or explosively formed penetrator components going into Iraq?

Secretary GATES. [Deleted.]

53. Senator MCCAIN. Secretary Gates, do you anticipate Iranian meddling during the upcoming elections in Iraq?

Secretary GATES. Iran has taken a multi-prong approach in Iraq, by covertly supplying arms to extremists, publicly supporting the Iraqi Government, and seeking to strengthen its connection with Shia. While we acknowledge Iran's right to develop a neighborly relationship with the government of Iraq, we do not accept their malign efforts to undermine U.S. and Iraqi initiatives. The administration is currently conducting a comprehensive review of U.S. policy toward Iran; Iran's malign activities are included in this review.

54. Senator MCCAIN. Secretary Gates, what can you tell us about Iranian involvement in Afghanistan?

Secretary GATES. Iran continues to pursue a multi-pronged approach in Iraq and Afghanistan by covertly supplying arms to insurgents, publicly supporting the governments, and seeking to strengthen its connection with Shia.

Such Iranian actions seem to indicate that Tehran wants greater influence for itself while seeking to raise the cost for the United States and our allies.

## IRAQ

55. Senator MCCAIN. Secretary Gates, the President has stressed the need for a responsible redeployment of U.S. combat forces from Iraq, and there are reports that he would like to withdraw combat troops within 16 months. Is this timeline currently under consideration?

Secretary GATES. The President has given clear direction for the interagency, facilitated by the National Security Council, to review the current strategy in Iraq and develop a comprehensive recommendation to him. This recommendation is not just an assessment of possible drawdown scenarios but seeks to develop updated national strategic objectives and the proposed civilian and military force levels that will achieve these objectives. In this regard, all options are on the table and it is a consultative process where the field commanders and interagency partners have input into the process.

56. Senator MCCAIN. Secretary Gates, where do the commanders in the field come down on this question?

Secretary GATES. The security agreement specifies that all U.S. combat forces will be out of Iraq no later than 31 December 2011. The field commanders first and foremost seek to establish the conditions in Iraq that will make this transition smooth. In doing so, they recommend going to a residual force some time prior to that date to test those conditions and posture the enduring mutually agreed upon partnership for success. To achieve this end, the commanders and interagency partners will be intimately involved in the current review process. This consultative process will ensure that all risks have been appropriately considered and addressed.

57. Senator MCCAIN. Secretary Gates, where does the Government of Iraq come down on this question?

Secretary GATES. We have informed the Iraqi leadership how the United States will draw down its forces while adhering to the security agreement concluded with Iraq in December of last year. We will continue to coordinate and discuss the details of our phased drawdown as the ISF increasingly take the lead, and carefully consider Iraqi concerns as we implement the President's guidance.

The Iraqi leadership is confident that the capabilities of the ISF and the capacity of its governmental institutions will continue to grow in the coming year, and recognizes that the long-term success of the sovereign Iraqi state is in the Iraqi people's hands.

58. Senator MCCAIN. Secretary Gates, how do you envision such a redeployment proceeding in a way and on a timeline that does not jeopardize the dramatic gains we have seen in Iraq since early 2007?

Secretary GATES. The President's plan represents a responsible and reasonable drawdown of our combat units in Iraq and does not sacrifice the hard-fought gains that our forces and the Iraqis have made over the last several years.

Because progress still remains fragile, a U.S. military presence will be necessary to support the Iraqis while they conduct national elections and further develop the capabilities of the ISF through 2009. Therefore, after an initial drawdown this year, U.S. force levels will likely hold steady from the period immediately preceding until shortly after the national elections expected to take place before the end of January 2010.

After this period, we will see an accelerated pace of drawdown consistent with the anticipated conditions on the ground. This plan provides our military commanders with the flexibility they will require during this critical time in Iraq to ensure hard fought security gains are not lost. This plan also identifies an initial transitional force to help consolidate our progress to date.

#### UPCOMING PROVINCIAL ELECTIONS IN IRAQ

59. Senator MCCAIN. Secretary Gates, on January 22, Ambassador Crocker said "I think the ISF have made enormous progress during my time in Iraq, both quantitatively and, more important, qualitatively. There is still a ways to go. And clearly, still a continuing need for our security support." The Ambassador went on to say that "the conduct and outcome of those elections I think are going to be very important for the country." What role are U.S. Forces playing in the upcoming provincial elections?

Secretary GATES. The Provincial Elections in Iraq are Iraqi planned, managed, and executed, with MNF-I, United Nations Assistance Mission for Iraq (UNAMI), USM-I, and nongovernment organizations in a supporting role. MNF-I is coordinating closely with the Iraqi Supreme Council for Electoral Security and will provide support to the ISF upon request. In coordination with the ISF, commanders are given maximum latitude to ensure legitimate and credible Provincial Elections in their battle space.

Specific support which MNF-I is fully prepared to provide during the Provincial Elections will include:

- Support with a Quick Reaction Force, as well as MEDEVAC capability
- Assistance with joint threat assessments of General Elections Office warehouses
- Assisting Iraq with the conduct of a Command Post Exercise to rehearse ballot movement, interagency coordination, and reporting procedures
- Support to Provincial Reconstruction Teams, UNAMI, and the Iraqi High Electoral Commission
- MNF-I will prioritize transportation, security, and critical life support for International Observers and UNAMI

I agree with Ambassador Crocker that the ISF have made enormous progress, and we expect that the elections will take place with a minimum of security incidents.

60. Senator MCCAIN. Secretary Gates, how important are the provincial elections and the national elections scheduled for later this year in determining your plans for the way forward?

Secretary GATES. Iraq's ability to plan and conduct legitimate elections—to include the recently concluded provincial elections—is a significant demonstration of the Government of Iraq's development and maturation. The President's drawdown plan accounts for the critical period surrounding such major political events in Iraq. Accordingly, U.S. Forces will remain at a robust level until immediately after Iraq's national elections scheduled to take place between late 2009 and early 2010, and will then draw down to a level consistent with the anticipated conditions on the ground. The plan gives commanders the flexibility to pause the redeployment of combat brigades temporarily for the period immediately before and after the Iraqi national elections to assist the Iraqis in consolidating hard fought security gains through the political process. The Department recognizes that our civil and military support to the Government of Iraq and assistance to the ISF during these election cycles are central to achieving the U.S. goal of increasing the capacity and independence of Iraq's governing institutions.

#### ACQUISITION REFORM

61. Senator MCCAIN. Secretary Gates, the Defense Business Board (DBB), an internal management oversight board that you stood up, warned that the DOD's budg-

et is “unsustainable” and that the Department can only meet its priorities, particularly those relating to military personnel (such as escalating health care costs), if it makes hard budget decisions on its largest and costliest acquisition programs. As indicated in a briefing to the administration’s transition team, “[b]usiness as usual [in terms of the Department’s budget decisions] is no longer an option.”

Do you agree with the DBB’s admonitions and what principles will guide your thinking on possible cuts to large acquisition programs?

Secretary GATES. Yes, I agree that business as usual is not an option, and that hard choices are needed. To that end, in my statement for the record for this hearing January 27, 2009, I said that for acquisition programs, DOD needs to:

- Make hard choices, not across-the-board adjustments that stretch out programs.
- Have economic production rates, budget stability, and economies of scale.
- Buy more “75 percent solution” systems and fewer expensive “99 percent solution” systems.
- Not let each Service buy its own system to counter a threat common to all.
- Freeze requirements at contract award and incentive contract performance.
- Increase competition, use prototypes more, and ensure technology maturity before programs go to the next phase of development.
- Restore and strengthen the DOD acquisition workforce.

62. Senator McCAIN. Secretary Gates, early this year, this administration will be required to make what amounts to a go/no-go decision on the F-22A Raptor program, an increasingly expensive program that (as you rightly point out) has made no contribution to the global war on terror and may impinge on the timing and cost of when the F-35 Joint Strike Fighter may first be operationally capable. What principles guide your thinking on the future direction of this program?

Secretary GATES. The F-22 and F-35 were developed for different types of missions and to fill different capability gaps. The F-22 was developed to replace the aging F-15 aircraft inventory, while the F-35 is being developed to replace the aging F-16, AV-8B, and F/A-18 C/D aircraft inventories. While the F-22 may not have made significant contributions to the global war on terror, it is an important asset and the most capable air-to-air aircraft in our military arsenal, ready to be used for any current and future threats that face our Nation. The future direction of the F-22 program lies in factors such as compliance with the requirements of the current National Military Strategy, the affordability of additional F-22 aircraft within the Department’s resource constrained environment, and whether continued production or termination is in the national interest of the United States.

63. Senator McCAIN. Secretary Gates, as you likely know, this committee has developed several legislative initiatives intended to reform the process by which the Department buys its largest and most expensive weapons systems. Most of those initiatives have addressed acquisition policy and the requirements system. You and your staff, too, have been busy on defense acquisition reform. I am gratified by initiatives recently undertaken by the current Under Secretary of Defense for Acquisition, Technology, and Logistics to help reform the defense acquisition system. Those initiatives (codified at DOD Instruction 5000.02) attempt to start major acquisition programs off responsibly by increasing emphasis on systems engineering and greater upfront planning and management of risk; call for using competitive prototyping in a newly-named Technology Development Phase (before Milestone B), to mete out risk; and establish review boards to monitor weapon system configuration changes. Those initiatives appear consistent with the knowledge-based approach to weapons development that the GAO has recommended for years. At this point, what other aspects of the defense acquisition system do you see need reform?

Secretary GATES. As you have said, the Department has undertaken a broad range of initiatives designed to improve the effectiveness of the defense acquisition system. These initiatives were institutionalized via the recent update to DOD Instruction 5000.02, our primary acquisition policy document. Likewise, the Joint Chiefs of Staff continue to refine our requirements process, the system we use to define our warfighter capability needs. I plan to monitor the effectiveness of these changes over time and will, where necessary, make adjustments to ensure our process improvement objectives are being achieved.

64. Senator McCAIN. Secretary Gates, among the reforms I’m calling for is a comprehensive audit of the DOD budget aimed at identifying the unnecessary, wasteful

programs and procurements that should be terminated or suspended immediately. What is your preliminary reaction to that reform initiative?

Secretary GATES. The DOD will open the fiscal year 2010 budget in the next few weeks and one aspect we will specifically look at is performance and funding for acquisition programs. Those programs not performing or with cost growth will be considered for suspension or termination. We have made several changes in the acquisition process reflected in the recently approved DOD 5000.02 to include a mandatory acquisition process entry point, competitive prototyping, more frequent and effective reviews, configuration steering boards and technology readiness assessments aimed at keeping programs on cost and schedule. We will also do a much more comprehensive review and possible program restructuring/termination in support of the President's fiscal year 2011 budget.

#### ACQUISITION REFORM

65. Senator MCCAIN. Secretary Gates, another reform I'm calling for is putting Nunn-McCurdy (the law that requires the Department to report excessive cost growth on weapons programs to Congress) "on steroids". It is my hope that doing so will reinforce the process by which cost estimates are independently assessed and strengthen congressional oversight over chronically poor performing weapons programs. What ways do you think Nunn-McCurdy can be improved to transform it from a mere reporting requirement to a management tool to help the Department keep cost growth in check?

Secretary GATES. Congress provided the DOD with tools that make Nunn-McCurdy more effective when it enacted a requirement for certifications in the National Defense Authorization Act for Fiscal Year 2006 (Pub. L. No. 109-163) and the National Defense Authorization Act for Fiscal Year 2008 (Pub. L. No. 110-181). The certification requirements in Sections 2366a (for Milestone A) and 2366b (for Milestone B) in Title 10, United States Code allow DOD to do the necessary analysis and due diligence to set programs up for success. For example, the certifications require a confirmation of the requirement, an analysis of alternatives, an estimate of cost, and a review of affordability. In addition, at Milestone B, the 2366b certification requires an assessment of technological readiness and assurance of compliance with statutory and regulatory policies.

The Department has also undertaken internal initiatives to address contributing factors that cause programs to incur Nunn-McCurdy breaches. These initiatives include establishing Configuration Steering Boards to address requirements creep, increased emphasis on Milestone A and prototyping, improving knowledge available by encouraging a preliminary design review prior to Milestone B, when that is possible, and a rigorous post-breach certification process.

There are changes that could help DOD with making the Nunn-McCurdy process more effective. We sometimes see Nunn-McCurdy breaches driven by valid requirements changes or procurement quantity changes that are not problems in the acquisition program. Allowing for valid adjustments would fix management attention on true cost increases. This could be fixed by allowing DOD to adjust the acquisition program baseline established at Milestone B (the original baseline) for program restructures caused by requirements changes approved by the JROC and Department agreed-to quantity adjustments. I do believe it is important for the Defense Department to retain the management discretion to continue programs which are necessary for our national security, even if the Department unexpectedly encounters technical challenges or is forced to recognize errors in initial cost estimates.

66. Senator MCCAIN. Secretary Gates, another reform I'd like to see is establishing (and resourcing adequately) an Office of Independent Assessment to provide the Department and Congress independent assessments of cost, technological maturity, and performance. It is my view that, while laudable, the cost and technological assessment capability provided by, respectively, that the Cost Analysis Improvement Group (CAIG) and DDR&E is not sufficiently robust, given how vital those capabilities are in the defense procurement process. What is your preliminary reaction to that reform initiative?

Secretary GATES. The situation for the acquisition of weapon systems has been dramatically improved, and with congressional support the momentum will continue. By DOD Directive, the CAIG already serves as the principal advisor to the appropriate Milestone Decision Authority for acquisition program cost. Establishing an Office of Independent Assessment would be duplicative and wasteful of taxpayer dollars.

## MINE RESISTANT AMBUSH PROTECTED VEHICLES

67. Senator MCCAIN. Secretary Gates, Congress responded quickly to the Department's funding requests for armored vehicles in Iraq. MRAPs have saved lives and aided the execution of the surge strategy. The Department is currently conducting a competition to procure a smaller, all-terrain variant of the MRAP for use in Afghanistan known as MRAP all-terrain vehicle (ATV). Committee will be watching the competitive bidding process closely and expect it to be conducted transparently. To reduce the logistical burden, the MRAP program office has stated its intention to have only one supplier of these MRAP ATVs. Will this slow production and fielding?

Secretary GATES. The acquisition strategy for the M-ATV takes into account the production capacity of the vendor or vendors as one of the factors being considered in the competition. We want to ensure we select the most capable vendor or vendors to produce vehicles on schedule. It is a strategy very similar to the one we used for MRAPs from 2007 to present. The mission remains the same; to get as many life-saving vehicles to our men and women in harm's way as fast as we are able. There will be up to five vendors awarded indefinite delivery-indefinite quantity contracts for further test articles. The request for proposal states that final award in mid-June 2009 will be made to "one or more" vendors. This allows the Department the most flexibility in addressing the needs of the theater.

68. Senator MCCAIN. Secretary Gates, what added measures are necessary—on the part of the Department, industry and Congress—to further accelerate the delivery of these vehicles to theater?

Secretary GATES. The Department appreciates the support that Congress has provided. To ensure the rapid fielding of any additional vehicles, we need a timely appropriation of the full amount of funding requested for this program in the budget submission for the Fiscal Year 2009 Supplemental Appropriations. More than 15,000 vehicles have been produced in less than 2 years, with approximately 10,000 MRAP vehicles being fielded in Iraq and 2,000 currently in Afghanistan. On November 3, 2008, I directed several actions to accelerate the movement of MRAPs to Afghanistan. In one case, the manufacturer accelerated production of vehicles 2 months ahead of schedule. Another effort was to redirect MRAPs that were used for training and sustainment to OEF. The combination of these two efforts provided over 1,000 additional MRAPs to Afghanistan in less than 3 months.

69. Senator MCCAIN. Secretary Gates, of the more than 10,000 MRAP vehicles in Iraq, how many can be redeployed for use in Afghanistan?

Secretary GATES. The Combined Joint Task Force-101 originally requested to limit MRAP variants in OEF to three types of CAT I vehicles. These variants were determined to be the most capable for the mission and terrain. Of the available MRAP vehicles currently deployed in Iraq, 1,500 MRAP variants would be available for use throughout Afghanistan.

Additionally, 1,100 of the larger CAT I and CAT II variants could be used in specific areas where mission and terrain permit.

## DETAINEES

70. Senator MCCAIN. Secretary Gates, on January 22, President Obama ordered that the military detention facilities at Guantanamo Bay be closed "as soon as practicable" and in any event, no later than 1 year from the date of his order. What is the Department doing, and planning to do, to implement President Obama's order?

Secretary GATES. In accordance with the President's Executive order, the DOD is acting in concert with other U.S. departments and agencies to close the detention facilities at Guantanamo. As part of this process, the Department has developed a Detainee Task Force, a group responsible for coordinating and facilitating all issues related to Executive order implementation within the DOD.

The Department is participating fully in the review team coordinated by the Attorney General. This team was charged with reviewing the files for all of the detainees currently held by the Department at Guantanamo Bay, Cuba. Once the team is chosen, it will move forward expeditiously with its review of the status of each individual currently detained at Guantanamo and its determinations regarding each individual.

71. Senator MCCAIN. Secretary Gates, how will you approach your role on the cabinet-level review panel in sorting the detainees into groups of those who can be

transferred or released; those who can be tried; and those in the most difficult third category who can neither be released or tried in regular Federal courts?

Secretary GATES. The DOD looks forward to supporting fully the Attorney General-coordinated review of the detainees at Guantanamo Bay pursuant to the President's Executive order, and I have directed my staff to work closely with the Justice Department and other U.S. departments and agencies in completing this review.

72. Senator McCAIN. Secretary Gates, what options do you think exist for disposition of the third group?

Secretary GATES. The ultimate disposition of those detainees who cannot be released, transferred, or tried in Federal Court will depend upon the determination of the President's Executive order review coordinated by the Attorney General. The DOD looks forward to working with the Justice Department and other U.S. departments and agencies in completing this review.

73. Senator McCAIN. Secretary Gates, do you believe that once a detainee's status has been established as an "enemy combatant" they can be held indefinitely? What other alternatives are there?

Secretary GATES. In *Hamdi v. Rumsfeld*, the Supreme Court recognized that enemy combatants may lawfully be held for the duration of hostilities. The DOD's practice has been to conduct periodic reviews of the cases of detainees held as enemy combatants, and the Department is currently participating in the ongoing interagency review of the detention of every individual at Guantanamo required by the President's January 22, 2009 Executive order titled "Review and Disposition of Individuals Detained at the Guantanamo Bay Naval Base and Closure of Detention Facilities."

Other lawful alternatives to detention as an enemy combatant may be appropriate depending on the circumstances, including criminal prosecution, transfer, and release. The Department is participating in the Special Interagency Task Force on Detainee Disposition established by the President's January 22, 2009, Executive Order titled "Review of Detention Policy Options." The Task Force is charged with:

Conduct[ing] a comprehensive review of the lawful options available to the Federal Government with respect to the apprehension, detention, trial, transfer, release, or other disposition of individuals captured or apprehended in connection with armed conflicts and counterterrorism operations, and to identify such options as are consistent with the national security and foreign policy interests of the United States and the interests of justice.

74. Senator McCAIN. Secretary Gates, is the current Annual Review Board process sufficient to continue to evaluate whether detainees should be released?

Secretary GATES. The President's Executive order, Review and Disposition of Individuals Detained at the Guantanamo Bay Naval Base and Closure of Detention Facilities, January 22, 2009, directed the review of the status of each individual currently detained at Guantanamo. The President's Executive order, Review of Detention Policy Options, January 22, 2009, directed a comprehensive review of the lawful options available to the Federal Government with respect to the apprehension, detention, trial transfer, or other disposition of individuals captured or apprehended in connection with armed conflicts and counterterrorism operations, and to identify such options as are consistent with the national security and foreign policy interests of the United States and the interests of justice. Given the comprehensive nature of these ongoing U.S. Government reviews, the annual Administrative Review Board (ARB) process was suspended until after their completion. The Department anticipates reviewing the ARB process, but it would be premature to provide an assessment of the process at this time.

75. Senator McCAIN. Secretary Gates, should a review process that includes more due process, including the participation of lawyers and judges, be established by Congress?

Secretary GATES. Detainees at Guantanamo currently have access to U.S. Courts through habeas petitions.

76. Senator McCAIN. Secretary Gates, should the review process be solely under the executive branch, or should it include oversight or appeal to the judicial branch?

Secretary GATES. The current Combatant Status Review Tribunal process is properly a function to be conducted under the executive branch. Moreover, detainees at Guantanamo have access to the U.S. Courts through habeas petitions to challenge the lawfulness of their detention.



In addition, the President's Executive order directed that the Attorney General lead a review of the status of each individual currently detained at Guantanamo. The review will examine the factual and legal basis for the continued detention of all individuals currently held at Guantanamo, and whether their continued detention is in the national security and foreign policy interests of the U.S. and in the interests of justice.

77. Senator MCCAIN. Secretary Gates, should some sort of rehabilitative program be established at Guantanamo Bay, similar to some of the programs recently implemented in Iraq, to mitigate the risk of releasing some of the less dangerous detainees?

Secretary GATES. The Department regularly examines its detention operations and policies, and assesses the viability of applying lessons learned from one detention facility to others, as well as to future conflicts. Many of the approximately 15,000 detainees currently in Iraq participated in the insurgency in response to economic reasons, or for other reasons not associated with Islamic extremist agendas. Education programs have proven to be valuable in encouraging detainees in Iraq to reject participation in the insurgency and to recognize the value of working within Iraqi society.

In contrast, many of the Guantanamo detainees are motivated by an extremist ideology. Many traveled from their home countries to receive training in terrorist camps in Afghanistan. Others are professed members of terrorist organizations. Many of these detainees participated in or supported violent acts of terrorism to further extremist objectives. Nonetheless, the detention facilities at Guantanamo Bay already offer literary classes and a library with books, DVDs, magazines, and other educational publications in the detainees' native languages for those detainees who choose to participate. The Department continues to assess the benefits of the education programs available at Guantanamo Bay.

78. Senator MCCAIN. Secretary Gates, what can the United States do to convince some of our friends and allies to help solve this problem by taking some of the detainees who we have evaluated are no longer a threat?

Secretary GATES. The Department has seen some encouraging indicators that nations across the world, in Europe in particular, are potentially more open to the idea of accepting non-nationals who have previously been approved for transfer or release from detention at Guantanamo. As the Attorney General-led case-by-case review continues, it will be necessary to remain in dialogue with those nations. The State Department has an engagement strategy with those nations and we will continue to urge them to consider taking detainees currently under the control of the Department at Guantanamo.

79. Senator MCCAIN. Secretary Gates, is the administration examining the logistics associated with the transfer of Guantanamo detainees to the United States?

Secretary GATES. Consistent with the President's Executive order to close the detention facility at Guantanamo Bay, the DOD is assessing the logistical requirements that would be necessary should the Department be required to transfer detainees to the United States.

80. Senator MCCAIN. Secretary Gates, president Obama's order also charges you with evaluating whether the conditions of detention at Guantanamo Bay comply with Common Article III of the Geneva Convention and reporting back within 30 days. Do you think changes will be necessary?

Secretary GATES. In response to the President's Executive order signed on January 22, 2009, I directed Admiral Patrick Walsh, Vice Chief of Naval Operations, to assemble a team to conduct a comprehensive review. The purpose of the review was to ensure that all detainees at Guantanamo are held "in conformity with all applicable laws governing the conditions of confinement, including Common Article 3 of the Geneva Conventions." Admiral Walsh and his team had unrestricted access to the detention facility and the camp authorities at Guantanamo.

Admiral Walsh concluded "that the conditions of confinement in Guantanamo are in conformity with Common Article 3 of the Geneva Conventions." Specifically, his team determined that there were no violations of prohibited acts listed in Common Article 3. In addition, in assessing whether detainees are treated "humanely," he concluded that "the conditions of confinement in Guantanamo also meet the directive requirements of Common Article 3 of the Geneva Conventions."

In addition, his team noted that the chain of command responsible for the detention mission at Guantanamo consistently seeks to go beyond a minimalist approach to comply with Common Article 3, and endeavors to enhance conditions in a manner

as humane as possible consistent with security concerns. In that regard, his report identifies several areas in which the Department could further enhance the conditions of detention.

I have directed the Department to conduct an immediate review of the recommendations in the report and provide me with an implementation plan.

81. Senator MCCAIN. Secretary Gates, would you support the continued use of military commissions if the cabinet-level review panel concludes that some detainees cannot be tried in normal Federal criminal courts or in courts-martial?

Secretary GATES. In his Executive order titled "Review of Detention Policy Options," dated January 22, 2009, the President has directed the establishment of a Special Interagency Task Force on Detainee Disposition (Special Task Force) to "identify lawful options for the disposition" of individuals captured or apprehended in connection with armed conflicts and counterterrorism operations.

Further, President Obama's Executive order titled "Review and Disposition of Individuals Detained at the Guantanamo Bay Naval Base and Closure of Detention Facilities," dated January 22, 2009, finds that some detainees may have committed offenses for which they should be prosecuted. In this Executive order, the President ordered a review to determine "whether and how any such individuals can and should be prosecuted." Moreover, his Executive order specifically directed this review to address "whether it is feasible to prosecute such individuals before a court established pursuant to Article III of the United States Constitution." The Executive order also states that this review shall select other "lawful means, consistent with the national security and foreign policy interests of the United States and the interests of justice, for the disposition of" individuals who cannot be tried in an Article III court.

If the review of individual detainees and the Special Task Force conclude that some detainees should be tried by military commissions because they cannot be tried by an Article III Federal criminal court or a court-martial, I will support that recommendation.

82. Senator MCCAIN. Secretary Gates, do you believe the Army Field Manual will be adequate for interrogations conducted by the Central Intelligence Agency (CIA)?

Secretary GATES. While the Army Field Manual has proven adequate for the DOD, I think the CIA is in the best position to judge whether or not the Army Field Manual is adequate for interrogations conducted by the CIA.

83. Senator MCCAIN. Secretary Gates, would you consider making the changes to the Field Manual that are consistent with Common Article III to accommodate the CIA?

Secretary GATES. Army Field Manual 2-22.3, Human Intelligence Collector Operations, September 6, 2006, is designed to be used by military intelligence collectors. I would be willing to consider any changes to the manual that are consistent with U.S. domestic law and U.S. obligations under international law, including Common Article 3, and are compatible with military practices and procedures.

84. Senator MCCAIN. Secretary Gates, what role will DOD play in detaining the most dangerous and sensitive terrorists now that the CIA is prohibited from operating its own detention facilities?

Secretary GATES. The Department will continue to detain captured enemy combatants, consistent with law and policy. Any requests to hold detainees captured during non-DOD operational activities would require careful, case-by-case considerations within the U.S. Government.

85. Senator MCCAIN. Secretary Gates, how should we approach the issue of habeas corpus at places like Bagram where we may have al Qaeda detainees who were captured both within Afghanistan and Pakistan, and also during operations elsewhere, such as in the Horn of Africa, Europe, or Indonesia?

Secretary GATES. Bagram Air Field is a military base used by U.S. Forces, leased from the Government of Afghanistan, and located in a theater of active combat. The Department has consistently maintained that extending habeas corpus review to such a location would pose numerous practical and legal problems and could have a crippling effect on war efforts. The writ of habeas corpus has never before been extended to such a location, and doing so would inject domestic courts into the conduct and supervision of ongoing military operations, a role they were never intended to fulfill. Further, attempting to support domestic civil litigation in the midst of such ongoing operations could impose serious, potentially unsupportable security and logistical burdens on forward-deployed U.S. Forces.

The Department is participating in the Special Interagency Task Force on Detainee Disposition established by the President's January 22, 2009, Executive order titled "Review of Detention Policy Options" to review and identify lawful detention options available to the government, including places like Bagram. The outcome of this review will determine the ultimate disposition of detainees at Bagram.

86. Senator McCAIN. Secretary Gates, does it concern you that if we had captured Mohammad Atta in Germany before September 11 and taken him to Bagram for questioning that some would argue that he should have immediate habeas rights?

Secretary GATES. If, in the context of the currently ongoing military efforts against al Qaeda and the Taliban abroad, U.S. Forces were to capture a person engaged in planning another September 11-type attack, the ability to detain and question that person would be essential to U.S. national security. If that person were transported to an overseas military installation located in an active theater of operations, the same concerns regarding habeas corpus review stated above (in response to question 85) would also apply.

Moreover, the Supreme Court in *Boumediene v. Bush* specifically rejected the notion that "a habeas court should intervene the moment an enemy combatant steps foot in a territory where the writ runs." Instead, the Court held that "[t]he Executive is entitled to a reasonable period of time to determine a detainee's status before a court entertains that detainee's habeas corpus petition."

#### COUNTERINSURGENCY AND CULTURAL KNOWLEDGE

87. Senator McCAIN. Secretary Gates, you recently wrote that the "capabilities needed to deal with [terrorist attacks] cannot be considered exotic distractions or temporary diversions. The United States does not have the luxury of opting out because these scenarios do not conform to preferred notions of the American way of war." Is the Department postured to deliver counterinsurgency expertise to the troops?

Secretary GATES. Counterterrorism, unconventional warfare, foreign internal defense, counterinsurgency, and stability operations are not new missions to the DOD. Yet, the Department's force development processes and programs, including professional military education, have primarily focused on the ability to defeat the conventional military forces of an adversary state. In an era when the character of warfare is blurring, and current and future adversaries are more likely to pose irregular and asymmetric threats, the Department is broadening the aperture of its force development efforts to account for strategies and capabilities needed to conduct irregular and hybrid forms of warfare. Many of the capabilities and expertise required to execute these missions are resident in Special Operations Forces (SOF), but not with sufficient capacity to meet current, or expected future, demand. In other cases, the Department must develop new capabilities to address the range of irregular challenges.

Rebalancing the overall Defense portfolio to ensure that the U.S. Armed Forces are as expert and proficient in irregular warfare as they are in traditional warfare requires focused efforts in three key areas: growing the capacity of SOF, reorienting General Purpose Force (GPF) expertise and capabilities toward irregular warfare while maintaining their ability to prevail in traditional campaigns, and promoting increased integration between SOF and GPF.

Although there is more to be done, to date, the Department has taken significant strides toward achieving lasting institutional change. For example, it has invested in SOF growth; produced an irregular warfare Joint Operating Concept; published a DOD directive to establish policies and assign responsibilities for the development of irregular warfare-relevant capabilities; and completed a comprehensive review of the capability and capacity demands for GPF to conduct long-duration counterinsurgency operations and to train, advise, and assist foreign security forces. Various other initiatives are underway to integrate and coordinate U.S. military efforts with civilian agencies more effectively, and U.S. Joint Forces Command has established an irregular warfare center to collaborate with the military departments and U.S. Special Operations Command to develop joint irregular warfare doctrine, education, and training programs for the GPF. These efforts contribute toward ensuring that the joint force has the capabilities, knowledge, and skills needed to counter the range of irregular threats from state and non-state actors.

88. Senator McCAIN. Secretary Gates, what specific programs have you put in place to give field commanders understanding of the cultural environment in which they operate?

Secretary GATES. The Department recognizes that not all personnel will be able or required to demonstrate intermediate or advanced level language skills and cultural expertise. However, we do recognize the need for personnel to acquire the language skills and cultural knowledge to interact effectively with the local population and their leaders. Therefore, Department policy requires that military units deploying into, or in transit through, foreign territories be equipped, to the greatest extent practicable, with an appropriate capability to communicate in the languages of the territories of deployment or transit and to operate with an appropriate knowledge of the cultural norms.

The Services have taken great efforts to prepare members to achieve optimum outcomes by understanding the regions in which they deploy and being culturally aware. The Services have established Centers of Excellence to oversee and standardize training and impart essential and mission-targeted cultural training to their members. The Army Training and Doctrine Command Culture Center, the Navy Center for Language Regional Expertise and Culture, the Air University Cultural Studies Center, and the Marine Corps Center for Advanced Operational Culture Learning all focus on offering information and training that best supports their deployment model and is compliant with Joint Professional Military Education (PME) guidelines. Additionally, the 2005 Defense Language Transformation Roadmap required the Joint Staff and Military Departments to ensure regional area content was incorporated into language training, PME and development, pre-deployment training, and, in some cases, mid- or intra-deployment training. In response, the Joint Staff and Military Departments have made tremendous progress—cultural training and regional area content are now included in the curriculum at the Service Academies, Reserve Officer Training Corps, during the officer and enlisted accession training pipeline, and throughout PME and development.

“Just-In-Time” training is getting the right information to deploying personnel in time to be useful, but not so early that it is forgotten before they arrive. We have significantly improved our means of providing language and regional familiarization training to units during their deployment cycles. The Defense Language Institute Foreign Language Center’s (DLIFLC) foreign language and cultural instruction extends beyond the classroom to servicemembers and civilians preparing for deployment by offering Mobile Training Teams (MTTs), Video Tele-Training, Language Survival Kits (LSK), and online instructional materials. Since 2001, DLIFLC has dispatched more than 380 MTTs to provide targeted training to more than 66,000 personnel. Deploying units have received over 1,000,000 LSKs (mostly Iraqi, Dari, and Pashto). Field Support Modules outlining the geopolitical situation, regional and cultural information, and fundamental language skills, key phrases and commands are available for 34 countries in 49 languages on the DLIFLC Web site.

Additionally, the use of the Human Terrain System was developed in response to identified gaps in commanders’ understanding of the local population and culture and its impact on operational decisions. The Human Terrain Teams use the expertise and experience of social scientists and regional experts and, coupled with reach back and open source research, integrate and apply the socio-cultural knowledge of the indigenous civilian population to military operations in support of the commanders’ objectives.

The Department is working hard to enhance and expand regional and cultural education and training for the GPFs. More specifically, we are focusing on providing cross-culturally competent personnel to our commanders—personnel with the ability to quickly and accurately comprehend, then appropriately and effectively interact, to achieve the desired effect in a culturally complex environment. This translates to a force that is ready and available to respond effectively to any operational contingency, whether it is combat, humanitarian, or in response to other national security emergencies, anywhere in the world.

89. Senator MCCAIN. Secretary Gates, during the Cold War there existed a large group of researchers both inside and outside of the Department whose expertise was the Soviet Union. Does the Department have a similar set of experts today who can offer specific insight into the social and cultural fabric of Afghanistan and Iraq?

Secretary GATES. There is no specific body of experts on Afghanistan and Iraq within the DOD. However, various individuals employed in the DOD have a wealth of experience and a depth of understanding regarding Afghanistan and Iraq. These individuals play important roles in informing the development of our policies. Moreover, the Department frequently consults with outside experts who contribute insights and experiences from the private sector, academia, and elsewhere. Additionally, the Joint Staff and Services have brought onto their staffs cultural anthropologists and sociologists. Indeed, the independent insights from foreign area experts in academia are particularly valuable, which is why the Department launched the Mi-

nerva Initiative last year to cultivate and solicit academic social science expertise in areas that will inform policymaking.

#### MILITARY REQUIREMENTS IN THE ECONOMIC RECOVERY BILL

90. Senator MCCAIN. Secretary Gates, our colleagues in the Senate Appropriations Committee are marking up this morning their version of a National Economic Recovery Bill. The House's version of the bill released last week includes over \$6.6 billion for military construction (MILCON) requirements which were offered to the House Appropriations Committee (HAC) by certain representatives of the DOD as being "shovel ready" and able to create jobs in the next 12 months. Over the past 2 weeks, my staff has repeatedly asked for a copy of the documents justifying the MILCON request with no response. Furthermore, my staff has obtained DOD documents that state in order for certain MILCON projects to be shovel ready, "fast execution would require waiver of competitive bidding and environmental impact statements," and that "under extraordinary circumstances, projects could be started in under 12 months." Not very reassuring caveats for job creation, I must admit. Were you aware of these conditions?

Secretary GATES. Back in late December I was aware that the President Elect's economic team, led by Larry Summers, was putting together the President-Elect's stimulus bill proposal, and was sorting out what it would do regarding conditions for projects to be included in the proposal. But my Department and I were not directly involved in preparing the proposal. Any DOD documents your staff might have obtained would not necessarily contain conditions or projects that the President Elect's team took into account in preparing its stimulus proposal.

91. Senator MCCAIN. Secretary Gates, how were the military requirements submitted to the HAC determined with the Department?

Secretary GATES. The Department did not submit military requirements for the stimulus bill to the HAC. What occurred was this: About December 23, 2008, I responded to questions from Representatives Murtha and Edwards regarding possible DOD funding in a future stimulus bill. This was merely a response to specific questions, not a finalized list of requirements. The President Elect's economic team, led by Larry Summers, developed the stimulus bill proposal, and DOD was not directly involved.

92. Senator MCCAIN. Secretary Gates, can this committee have full, open, and immediate access to all documents provided to members of the HAC to support the request for MILCON so that we can perform due diligence and oversight?

Secretary GATES. I would be happy to provide access to such a budget request, but in fact the DOD did not provide documents to the HAC as part of an official request for MILCON in the stimulus bill. The actual request for the stimulus bill was developed by the President-elect's team.

93. Senator MCCAIN. Secretary Gates, is the potential for quick jobs creation resulting from MILCON that the Department has proposed contingent on circumventing laws, related to free and open competition as well as requirements set forth in NEPA?

Secretary GATES. The Department does not intend to circumvent any laws, including the NEPA, in execution of MILCON projects proposed for the economic stimulus package. One of the criteria considered for potential projects was that they must have NEPA documentation completed (including categorical exclusions) or projected for completion prior to execution. As with all MILCON projects executed by the Department, all contracts are in compliance with applicable acquisition laws, rules, and regulations.

94. Senator MCCAIN. Secretary Gates, during the process of proposing areas for military funding to help stimulate the economy, did the Department consider investments in equipment and materials that would have a direct impact on the readiness of our forces as well as generating jobs on assembly lines around the country?

Secretary GATES. In considering input for the President-Elect's team, the Department focused primarily on infrastructure, not readiness because we understood that infrastructure (including energy conservation) was the team's focus. Of course, most infrastructure improvements—e.g. better barracks and health care facilities—support readiness of our forces.

## EARMARKS

95. Senator McCAIN. Secretary Gates, former President Bush signed an Executive order last year intended to reduce the number and cost of earmarks and make their origin and purpose transparent. It directed that executive agencies not expend funds on earmarks listed in non-statutory sources, like congressional reporting or explanatory language. What direction have you given the Department with regard to this Executive order?

Secretary GATES. I have not given any new direction because I expect President Obama will be deciding what to do about that Executive order.

96. Senator McCAIN. Secretary Gates, do you anticipate that the new administration will alter the order?

Secretary GATES. I anticipate that President Obama will make a decision on what he wants done regarding this order.

97. Senator McCAIN. Secretary Gates, what is your understanding of the effect of unrequested earmarks on the Department's ability to maintain stable funding for meritoriously-selected programs?

Secretary GATES. Unrequested congressional funding within a constrained budget topline causes reductions in requested funding, and thus threatens the stable funding of programs that are Defense priorities which were included in the President's budget request.

## F-22 RAPTOR

98. Senator McCAIN. Secretary Gates, Deputy Secretary England recently stated, that investing in fifth-generation fighters for all three Services, by committing to the F-35 Joint Strike Fighter program, provides more effective capability to the joint force commander than concentrating investments in a single Service by buying more F-22As. Do you agree with Secretary England? Please explain.

Secretary GATES. The F-22, when combined with the F-35 Joint Strike Fighter, will provide the Nation with the most capable and lethal mix of fifth generation aircraft available for the foreseeable future. Each fills different capability gaps for the Joint Force Commander and are equally important investments. The critical question is the appropriate mix between the F-22 and F-35. The Department is reviewing whether to procure more F-22 aircraft beyond its current Program of Record quantity of 183 and will make a recommendation to the administration.

99. Senator McCAIN. Secretary Gates, although this does not represent my views, others have stated that military requirements should consider the need to sustain our industrial base, which would argue against discontinuing a weapons program and a basis for keeping the production-line open indefinitely. What are your views?

Secretary GATES. The Department is currently reviewing whether to procure more F-22A aircraft beyond its current Program of Record quantity of 183. Some of the factors that will go into the Department's recommendation to the administration are: compliance in meeting the requirements of the current National Military Strategy; affordability of additional F-22A aircraft within the Department's resource constrained environment; and consideration of the national technology and industrial base.

100. Senator McCAIN. Secretary Gates, recently, the DBB warned that the DOD's ability to see through its current plans and programs over the long-term is "not sustainable". The Board advised that the current financial crisis will require that the Department (and Congress) make hard budget decisions on some of the Department's largest weapons programs. Only by doing so, according to the Board, can other military priorities be met. As the Board indicated, "[b]usiness as usual is no longer an option; the current and future fiscal environments facing the Department demand bold action." In light of sustained military requirements from continued troop deployments on the global war on terror, would you characterize a decision to purchase additional F-22A Raptor aircraft as business as usual?

Secretary GATES. A decision to purchase additional F-22A Raptor aircraft would not be characterized as business as usual. The Department is currently reviewing whether to procure more F-22A aircraft beyond its current Program of Record quantity of 183. Affordability, in light of the Department's fiscal constraints, whether continued production or termination is in the national interest of the United States, as well as military requirements, will go into the Department's recommendation to the administration on whether to procure additional F-22A aircraft.

101. Senator McCAIN. Secretary Gates, through fiscal year 2008, over \$58 billion have been spent on the F-22 program. With unit costs having risen over 177 percent, the F-22's program acquisition unit cost is \$350 million per aircraft. We have learned that other traditional Air Force superiority fighter aircraft lines remain open for some limited foreign sales—specifically the F-15 and F-16 lines—fighter aircraft that are significantly less expensive. I believe I am uniquely suited to understand the importance of the need for U.S. air superiority to counter future perceived threats—something, I realize, buying many more F-22 aircraft ostensibly provides; however, I would like to know whether such air superiority simply be achieved by another, more cost-effective approach?

Secretary GATES. The F-22 Raptor is the most advanced tactical fighter in the world and, when combined with the F-35 Joint Strike Fighter, will provide the Nation with the most capable and lethal mix of fifth generation aircraft available for the foreseeable future. The tremendous capability of the F-22 is a critical element in the Department's overall tactical aircraft force structure requirements. The Department's decision to transition from legacy tactical aircraft to a mix of fifth generation fighters, in essence, allows the Department to buy fewer aircraft while meeting and exceeding the capability requirements of the legacy fleet. While fifth generation fighters, such as the F-22 and F-35, have higher unit costs than the legacy fighters they will replace, there are savings to be realized by avoiding the increasing operations and support costs of the aging fleet and the costs of maintaining that force structure. Air superiority can be achieved through an appropriate mix of F-22, F-35, and other tactical fighters. The Department is currently reviewing what this appropriate mix should be.

102. Senator McCAIN. Secretary Gates, has the F-22 flown a single combat sortie in the CENTCOM theater?

Secretary GATES. No.

103. Senator McCAIN. Secretary Gates, how long has the F-22 been operational?

Secretary GATES. The F-22 was declared operational (initial operational capability) December 15, 2005, at Langley AFB, VA.

104. Senator McCAIN. Secretary Gates, what is the F-22's relevance to the current or reasonably foreseeable threat environment, dominated by non-State actors and asymmetrical threats?

Secretary GATES. Today, the U.S. is faced with a wide range of threats and much uncertainty. As a result, we must ensure balance across our force application and battle space awareness portfolios, to shape and react to a host of scenarios. The F-22 will represent a relatively small percentage of the total U.S. fighter/attack inventory, but represents a significant capability.

We need not envision a replay of earlier conflicts to acknowledge that the U.S. may yet again find itself challenged by hostile actors capable of denying our use of the air or space in engagements across the full spectrum of military operations. Highly capable ground and sea-based air defenses, enabled by advancements in computer processing and digital technology, offer increasingly attractive alternatives to the fielding of modern air forces for many would-be adversaries. The proliferation of such weapons will effectively inhibit airspace access to non-stealth platforms, and can radically alter our thinking about what it means for any actor to be considered a viable threat to the U.S. military. We may also plausibly encounter an enemy willing and able to exploit the air domain to threaten security of an Ally or region, in a manner similar to Hezbollah's use of cruise missiles and unmanned aircraft in its 2007 war with Israel. These challenges are not particular to any specific category of conflict, yet all put a premium on America's ability to dominate the air. Although none of the actors we face directly in ongoing operations in Afghanistan and Iraq have demonstrated the combination of ability and willingness to deny use of the air, nor exploit its use to challenge U.S. and coalition forces, we should consider whether this will always be the case.

The F-22 is best associated with its air dominance mission but it is also important to recall that two decades of development and innovation have resulted in much more than just an air-to-air fighter. The aircraft also provides the ability to negate or defeat advanced air defenses, provides significant surface attack capability, and is a capable surveillance and reconnaissance platform. It is the synergy of these attributes that best summarizes the F-22's relevance in the Department's overall portfolio, both from the perspective of deterrence and as an effective enabler. This is especially true given that many of the world's most prominent supporters of terrorist organizations are acquiring or will soon acquire counter-air systems that render some of our aircraft incapable of accomplishing the mission. The F-22's capa-

bility to find, fix, track, target, and engage these threats provides significant advantage to gain operational access in order to conduct the direct support mission for the Joint Force Commander. The F-22 may not be the most efficient force application or battle space awareness solution for every problem we may face, but for some of the toughest ones, it may be one of a very small group of viable options.

#### FUTURE COMBAT SYSTEM

105. Senator McCAIN. Secretary Gates, you have set, as a priority, to concentrate the minds of the defense establishment on the wars in Iraq and Afghanistan. Last May you said, "I have noticed too much of a tendency towards what might be called 'next-war-it-is,' the propensity of much of the defense establishment to be in favor of what might be needed in future conflicts." Instead of large, complex weapons systems, you called for simpler, more numerous and presumably more affordable designs for new equipment. You also said every new weapons system would have to be useful for fighting irregular wars. How would you assess your progress?

Secretary GATES. As I stated in my testimony, my strategy involves going after greater quantities of systems that represent the 75 percent solution versus smaller quantities of the 99 percent solution. This strategy has not yet been fully manifested in the acquisition system, but I expect it will over time. We continue to make progress in institutionalizing responses to irregular warfare across the Department, and—as requirements are defined to meet operational needs—these requirements will flow to the acquisition process. For example, irregular warfare has been formally established as a Core Mission Area and our joint commanders now have a Joint Operating Concept that describes how they might employ capabilities to meet future irregular warfare operational challenges. At the component level, the Services have established irregular warfare-related training and education centers, and together with the Joint Staff, we are conducting studies of irregular warfare-relevant requirements. While these efforts reflect progress, we acknowledge more has to be done to achieve our irregular warfare vision. Gaps still exist, and we are developing a resource strategy that achieves the right balance of capabilities needed to meet future challenges across the spectrum of operations.

106. Senator McCAIN. Secretary Gates, in that same speech you specifically cited the Army's Future Combat System (FCS), a multi-billion dollar program of interlinked armored fighting vehicles, unmanned aircraft and cannons and said: "a program like FCS . . . must continue to demonstrate its value for the types of irregular challenges we will face as well as for full-spectrum warfare." The FCS is a multi-year, multi-billion dollar program at the heart of the Army's transformation efforts. Some question if FCS, envisioned and designed prior to September 11, 2001 to combat conventional land forces, is relevant in this current national security environment where counterinsurgency and stabilization operations feature prominently.

The FCS program has achieved a number of programmatic milestones and is transitioning from a purely conceptual program to one where prototypes of many of the 14 FCS systems are under development. With a variety of estimates on the total cost of the FCS program, questions have been raised about FCS affordability. In 2007, citing the impact of past budget cuts, the Army restructured the program from 18 to 14 systems. In 2008, in response to both congressional and DOD concerns, the Army restructured the program again.

Assessing the current national security environment, the current readiness of the Army, and the economic situation facing the Nation, how will the Department proceed on the development of FCS?

Secretary GATES. In my Foreign Affairs article, "A Balanced Strategy," I addressed the importance of developing a strategy, and the force structure to implement the strategy, that balances: "between trying to prevail in current conflicts and preparing for other contingencies, between institutionalizing capabilities such as counterinsurgency and foreign military assistance and maintaining the United States' existing conventional and strategic technological edge against other military forces." The kinds of capabilities we will most likely need in the years ahead will often resemble the kinds of capabilities we need today. This understanding is driving the Army's approach to FCS where defeating a specific threat, in a specific context, often for a specific geographical area is not entirely adequate.

The Army continues to review and adjust the FCS program to address the operational needs of commanders, incorporate lessons learned from current operations, and accelerate FCS capabilities to soldiers engaged in the prolonged, worldwide irregular campaign. The decision to field FCS capabilities to the infantry brigade combat teams first, the Army's highest demand and most vulnerable BCTs, is a clear



example of how the Army adjusted the FCS program based on operational needs and lessons learned from the current fight. We will continue to look for opportunities to adjust the program in order to provide capabilities to commanders and enhance the effectiveness and survivability of soldiers.

107. Senator McCAIN. Secretary Gates, both the Army and the Marine Corps have accelerated their efforts to grow their end strength in order to meet the continued high tempo of contingency operations. While I am encouraged by this development, I am concerned that each Service may grow beyond their capacity to provide adequate support for the new military personnel and their families. Potential shortages in barracks, housing, and family support facilities will cause hardship for ALL soldiers, marines, and their families over the next 3–5 years.

In your view, do we have challenges in this area? If so, what is being done within the Department to ensure the rapid pace of end strength growth can be supported with adequate facilities meeting the standards we have provided to our personnel?

Secretary GATES. With full funding of the President's fiscal year 2010 budget request, we can support our servicemembers and their families as we grow the force over the next 3 to 5 years. The Department has been planning for this growth in barracks, family housing, and family support facilities since the initial Grow the Force announcement was made in December 2007. The Department continues to provide adequate facilities in a timely manner to meet these requirements.

#### QUADRENNIAL DEFENSE REVIEW

108. Senator McCAIN. Secretary Gates, every 4 years, the DOD is required by law to conduct a QDR, a comprehensive review of the Nation's defense strategy, force structure, modernization plans, infrastructure, and budget. The most recent QDR was issued in February 2006 and the next one is scheduled for release in 2010.

Broadly speaking, the QDR was originally intended to be a vehicle for making strategic shifts in the department's orientation, sizing and shaping forces, and managing risks. Have you reviewed the process used to prepare the 2006 QDR?

Secretary GATES. The Department has conducted an extensive review of the process used to prepare the 2006 QDR.

109. Senator McCAIN. Secretary Gates, what strengths and weaknesses did you find in it?

Secretary GATES. The 2006 QDR went a long way toward establishing the foundation for new approaches to address our most pressing challenges. In terms of process strengths, through the 2006 QDR we established a senior deliberative body to guide the process. Combatant commands, other Federal agencies, and multinational partners participated in the 2006 process at unprecedented levels.

However, the review of the 2006 QDR showed some areas for improvement, including the importance of working with Congress. Additionally, the need for whole-of-government solutions to national security problems and to balance current and future threats continues to be a key focus area.

110. Senator McCAIN. Secretary Gates, describe the process you intend to use in the 2010 QDR.

Secretary GATES. Broadly speaking, my intention is to use this QDR to make difficult choices and immediately influence defense budgeting. In terms of process, I see great value in continuing to engage U.S. Government stakeholders, Congress, and international partners. To be effective, the 2010 QDR must lay the foundation for an effective force for the 21st century and establish the right balance for addressing the complex and hybrid forms of warfare we face today and those we will face in the future.

111. Senator McCAIN. Secretary Gates, in an article entitled "Did the Pentagon Get the Quadrennial Defense Review Right?" which appeared in the Washington Quarterly in spring 2006, Michele Flournoy, the President's nominee to be the Under Secretary of Defense for Policy wrote that the 2006 QDR "did not include a regular consultation process with the process with the chairs and ranking members of the key defense committees in the Senate and the House of Representatives." Do you believe that political engagement on the QDR is important and would you consider including it in the process?

Secretary GATES. I believe regular engagement with all stakeholders in the Nation's defense enterprise is an important part of QDRs. The Department must regularly consult with Congress, other U.S. Government partners, defense industry, and

key international partners with whom the United States works to meet the challenges of today's security environment.

The Department's engagement with Congress throughout the QDR process is especially important to ensure a smooth transition between QDR decisionmaking and any related legislation, including appropriations. We expect to make hard choices in this QDR and will depend on the support of Congress to be successful.

#### RELATIONS WITH THE DIRECTOR OF NATIONAL INTELLIGENCE

112. Senator MCCAIN. Secretary Gates, at his confirmation hearing before the Senate Select Committee on Intelligence on January 22, Admiral Blair, the President's nominee to be the Director of National Intelligence (DNI), said that there are coordination issues between the DNI and the DOD regarding the global war on terror.

Admiral Blair said "I think we need to get rid of this artificial division in this global campaign against terrorists when the tools that are available in the DOD and the Intelligence agency are both applicable and both need to be put together to get the job done. And I find that operational effectiveness is in fact distorted by the way the authorities which are written for a different area—era come down. But I think that in the meantime given what we have, we should not use different Titles as a shell game to try to keep information from Congress who has the oversight responsibility and the funding responsibility for these programs and I can undertake to you that I will make sure that we don't use a different title to hide something, that people who have knowledge and responsibility and oversight responsibility to carry out are kept in the dark." How are your relations with DNI?

Secretary GATES. In order for us to achieve the full scope of our national security objectives, the burgeoning requirements within Defense for timely, relevant and actionable intelligence must be carefully balanced against the DNI's national intelligence priorities. This cannot be done unless the Secretary of Defense and the DNI work in full partnership as I did with Director McConnell during his tenure. I have spoken to the DNI about the need to stay closely linked on these issues, and he has responded favorably. In fact, we have committed to meeting regularly to discuss issues of mutual importance. I have also agreed to dual-hat the Under Secretary of Defense for Intelligence as the Director, Defense Intelligence and in that capacity he will work on behalf of the DNI. The current Under Secretary of Defense for Intelligence, James R. Clapper, meets weekly with the DNI and even sits in on his staff meetings. So I believe my relations with the new DNI are already on a very positive footing.

113. Senator MCCAIN. Secretary Gates, how serious are the divisions between the DOD and the Intelligence Community?

Secretary GATES. I do not think that there are serious divisions between the two at all. Instead I tend to agree with the following statement from the DNI: "The issues that often arise between the demands of military operations and of other intelligence requirements have to do with the capacity of collection systems and with assignment of analysts. Sometimes multi-purpose collections systems for signals and imagery intelligence do not have the capacity to handle all requirements. Sometimes analysts are taken from one area and assigned to another. It is incorrect always to characterize these priority-based decisions as conflicts between military and national requirements. They are rather the decisions that have to be made by the intelligence enterprise of a global power that needs good intelligence in many different areas of the world and for many different potential threats." This statement I think accurately characterizes the relationship between the DOD and Intelligence Community as well considering that many of non-DOD Intelligence Community members are also national level customers of the DOD components of the Intelligence Community.

114. Senator MCCAIN. Secretary Gates, do authorities in title 10 and title 50 require clarification?

Secretary GATES. No, I have a clear understanding of my responsibilities and authorities under both title 10 and title 50 of the United States Code. In order to discharge my statutory responsibilities as Secretary of Defense, I provide authority, direction, and control over the DOD and its components. DOD engages in traditional military activities as directed by the President of the United States and by the Secretary of Defense. Traditional military activities include both overt and clandestine activities. These activities are reported to the appropriate oversight committees of Congress based upon committee jurisdiction.

## RESET - CURRENT UNIT READINESS

115. Senator McCAIN. Secretary Gates, on the issue of the readiness of our combat units, which I mentioned in my opening statement, Congress has provided over the past 3 years more than \$25 billion to repair or replace equipment used by our forces in Iraq or Afghanistan. Yet, in quarterly readiness reports received by our committee, we see a significant number of combat units with degraded readiness ratings due to a lack of equipment. What kind of risk are we taking by having such a high number of our combat units assessed as not ready to take on a full range of missions?

Secretary GATES. Current funding for repair and replacement of equipment used in Iraq and Afghanistan is approximately \$25 billion per year. That funding is sufficient to keep up with equipment losses and increased wear and tear due to combat operations. In addition to the \$25 billion of annual equipment repair and replacement costs, there is an overall liability of \$41 billion to repair or replace equipment returning from theater that will need to be funded when we reduce forces in Iraq and Afghanistan.

While our deploying forces' readiness for ongoing counterinsurgency missions is high, we lack the dwell time required to train ground forces for the full range of military operations. This impacts our readiness to counter future threats, providing potential opportunities for adversaries to act as if they are undeterred by a less capable force. We must continue to balance the force for an uncertain future while remaining focused not only on dwell time but on restoring and repairing equipment to levels that support training and response capability for a full range of missions. It is important to strike a balance between retaining prudent and appropriate conventional capabilities while ensuring that we fully develop the flexible force we need to overcome ever-changing irregular challenges.

116. Senator McCAIN. Secretary Gates, what more can Congress do to assist the Services in restoring the readiness of major combat units?

Secretary GATES. In the current fiscally-constrained environment, it is critical to fully fund the president's budget and to continue to support the supplementals that are necessary for equipment repair and replacement throughout the duration of our commitment in Iraq and Afghanistan and the subsequent reset, reconstitution and recapitalization of the force.

117. Senator McCAIN. Secretary Gates, do you have any unfunded requirements related to the reset that should be included in the pending economic recovery package?

Secretary GATES. DOD has and continues to request reset funding through War Supplemental Appropriations. With the support of Congress, we continue to receive the necessary funding to enable operations and to reset the force. The Department does not have any near-term unfunded requirements related to reset that should be included in the economic recovery package. We provided the White House an economic stimulus submission consisting of construction projects that can start within months to help address the needs of our servicemembers and their families and the near-term economic state of the economy.

118. Senator McCAIN. Secretary Gates, do you have any concerns that, with competing budget priorities, we run the risk of not fully investing heavily in reset requirements and ending up with a hollow force?

Secretary GATES. Yes, I do have such concerns, and that is why we are making hard choices to ensure our military does not become a hollow force. As President Obama has said, we must scrutinize all our programs to cut unnecessary funding. We must have sufficient resources for resetting forces returning from combat.

## RELOCATION OF U.S. MARINES FROM OKINAWA TO GUAM

119. Senator McCAIN. Secretary Gates, I have a question about the agreement between our Government and the Government of Japan to realign U.S. marines on Okinawa, and to station 8,000 marines and their families on the Island of Guam. This committee most likely will see in the fiscal year 2010 budget a substantial request for investment in new facilities to support movement of the marines to Guam. How do you view the agreement from a theater-wide strategic perspective?

Secretary GATES. As the western-most U.S. territory for basing in the Pacific, Guam provides the strategic flexibility and freedom of action necessary to support peacetime engagement, crisis response, theater security cooperation, and partner capacity building.

By implementing our bilateral agreement with Japan and carrying out our other plans to expand military presence in and around Guam, we send a message of assurance to our Allies, partners, and friends in Asia and beyond. Security in the Pacific is key to not just our national security and that of our treaty allies, but also to our neighbors throughout the Americas, whose economic future is linked more and more to cross-Pacific trade and exchanges.

Guam also serves as a logical and cost-effective location for training with our regional allies. The agreement with Japan to relocate Marine forces also builds on other changes the U.S. is making that will support forward-basing of submarines and transient aircraft carriers, provide a hub from which to project Intelligence, Surveillance, and Reconnaissance and strike assets, and increase logistical sustainment capabilities and prepositioning in the Western Pacific. The relocation of 8,000 marines and their dependents to Guam is also key to a much broader strategic effort to transform the U.S.-Japan Alliance relationship in ways that will strengthen the political support in Japan for our reduced and consolidated presence on Okinawa, while also expanding the roles and missions cooperation between U.S. and Japan forces. Overall, these efforts will strengthen the stand-off deterrent effect of U.S. Forces regionally and assure our regional allies and partners of an enduring U.S. forward presence in the Asia/Pacific.

120. Senator McCAIN. Secretary Gates, the current estimate for the costs to relocate the marines from Okinawa to Guam is at least \$10 billion, with the Government of Japan directly contributing \$2.8 billion. The remainder will be funded by DOD through MILCON or loans paid back through future housing allowances. With all the other modernization, recapitalization, and reset requirements facing the Department in the next 4 years, in your opinion, can we afford this move?

Secretary GATES. Executing the relocation of marines from Okinawa to Guam and completing the military build-up of Guam is an important long-term investment in our enduring regional posture. Japan shares our view that this is a worthy and critical investment and as such is committing up to \$6.09 billion in total funding. The Department will ensure fiscal discipline is exercised throughout the duration of this effort. We look forward to working with Congress to ensure that we appropriately fund this important strategic priority.

121. Senator McCAIN. Secretary Gates, there has also been discussion about the significant investment necessary to upgrade port, road, and utility infrastructure on Guam to support the stationing of marines and their families. Do you believe the DOD should assume this financial obligation as well?

Secretary GATES. Executing the relocation of marines from Okinawa to Guam and completing the military build-up of Guam is an important long-term investment in our enduring regional posture. Japan shares our view that this is a worthy and critical investment and as such is committing up to \$6.09 billion in total funding. The Department will ensure fiscal discipline is exercised throughout the duration of this effort. We look forward to working with Congress to ensure that we appropriately fund this important strategic priority.

#### CHINA - TAIWAN

122. Senator McCAIN. Secretary Gates, this year marks the 30th anniversary of the Taiwan Relation Act (TRA). Given China's rapid military modernization, please discuss the relevancy of the TRA today and how do you suggest we move forward as China's military grows more capable of projecting power beyond the Taiwan Straits?

Secretary GATES. U.S. policy toward China and Taiwan is a longstanding one, based on the three U.S.-China joint communiqués, and the 1979 Taiwan Relations Act. This policy, which includes making available to Taiwan defense articles and services necessary to enable Taiwan to maintain a sufficient self-defense capability, has served the interests of the United States and of the region well for the past 30 years. In light of the rapid buildup of military capabilities on the Mainland, I believe the Taiwan Relations Act continues to serve the interests of peace and stability in the Taiwan Strait, and East Asia writ large.

As China's military grows more capable of operating beyond the Taiwan Straits, we have the opportunity to work with China in pursuit of common goals as we are doing in our naval efforts off the Horn of Africa. China's increasing capabilities also present us with potential challenges. We need to both prepare for these challenges and work with China to ensure we understand each other and find ways to work together.

123. Senator McCAIN. Secretary Gates, how do you suggest we come to a common conclusion with our NATO allies about how to address narcotics trafficking that by all accounts is funding the insurgency?

Secretary GATES. We are working closely with our NATO Allies to address narcotics trafficking in Afghanistan. Allied Ministers agreed at the October 2008 NATO Defense Ministerial in Budapest that ISAF has the authority to take action in concert with Afghans against narcotics facilities and facilitators supporting the insurgency. As an example of exercising this authority, ISAF has reported three interdiction operations, security support for eradication efforts, and counternarcotics public information efforts for the first 15 days in February 2009. Additionally, CENTCOM updated the U.S. Forces' ROE in Afghanistan to support participation in counternarcotics activities. Counternarcotics activities now need to be integrated into the counterinsurgency campaign, recognizing that where a nexus between the narcotics trade and the insurgency exists, military action must be taken, either directly or in support of law enforcement agencies and host nation security forces.

#### NATIONAL MISSILE DEFENSE

124. Senator McCAIN. Secretary Gates, we have seen great improvements and recent testing success of a national missile defense system. In addition, our allies continue to support our efforts, despite extreme pressure from their neighbors in the region. The U.S. is in the process of finalizing arrangements with the Poles and the Czechs to place components of a fixed Ballistic Missile Defense (BMD) site in their two countries. Construction is scheduled to start in late 2009. What is your current assessment of this program and the near-term plans for construction of facilities in Poland and the Czech Republic?

Secretary GATES. The United States and Poland are continuing to negotiate the supplemental agreement to the NATO Status of Forces Agreement (SOFA), which is necessary to provide the legal basis for U.S. personnel to perform their functions in Poland under the U.S.-Poland missile defense basing agreement. There has been a great deal of progress in the talks, but there remain important issues to resolve. We hope to conclude negotiations soon, followed shortly thereafter by ratification by the Polish Parliament. The United States and the Czech Republic have signed a BMD Basing Agreement and a supplemental SOFA. These agreements await ratification by the Czech Parliament. The National Defense Authorization Act for Fiscal Year 2009 provides that no fiscal year 2009 funds may be obligated or expended for the interceptor site in Poland until both host nations have ratified the missile defense agreements and the SOFA supplemental agreements. Once the necessary agreements are ratified, the United States could begin construction, if a decision is made to do so.

125. Senator McCAIN. Secretary Gates, do you anticipate any major policy changes with the new administration related to national missile defense?

Secretary GATES. The United States will continue to develop and field missile defenses that are technologically sound and cost-effective. We will also develop missile defenses in consultation with our friends and allies.

#### CARE FOR WOUNDED WARRIORS AND THEIR FAMILIES

126. Senator McCAIN. Secretary Gates, you have stated that with regard to care for our wounded warriors, “. . . apart from the war itself, this Department and I have no higher priority.” I commend you Mr. Secretary for your recognition of the debt owed by our Nation to wounded servicemembers and their families who have sacrificed so much for our freedom.

Last June you wrote a memo to the Deputy Secretary in which you called for additional focus within the Department on four critical objectives in support of our wounded warriors: disability ratings, support for families, medical related research and the signature injuries of the war—PTSD and TBI. What progress has been made in the areas you identified, and what remains to be done?

Secretary GATES. A foremost priority of the DOD, in close collaboration with the Department of Veterans' Affairs (VA), continues to be caring for our Nations' wounded warriors and their families. Significant progress has been made on the critical objectives.

Disability Evaluation System (DES) improvements have successfully made the process less complex and provided faster adjudication in the pilot program. A DES pilot final report is due in August 2009 and will include recommendations for system-wide improvements being implemented in an expansion program now. Addition-

ally, a priority DES program is being developed for use by catastrophically injured servicemembers.

The DOD is providing more for family members of wounded servicemembers today than at any time in our history. Last year (2008) was a banner year for wounded warrior family initiatives to include: creation of an online national resource directory, with over 10,000 services and family resources; launching a wounded warrior resource center, providing around-the-clock assistance for family members to report concerns with facilities, benefits, or services; holding a family summit to share “best practices” for care management and family issues; publication of a family handbook to provide care information; and, publication of a benefits and compensation handbook. Additionally, Military OneSource is an important around-the-clock resource for military members and their families. Case managers and care coordinators are available and trained to provide personal assistance to servicemembers and families of recovering servicemembers.

DOD is committed to providing excellence in protection, prevention, diagnosis, research, treatment, recovery, and care transition for our servicemembers and their families who experience a mental health condition or TBI. In accomplishing those objectives, we have worked hand-in-hand with our Federal partners in the VA, as well as the Department of Health and Human Services.

A comprehensive plan has been developed for PTSD/TBI centered upon seven strategic goals: the leadership and advocacy of the Defense Centers of Excellence for Psychological Health and TBI; care quality at medical treatment facilities and TRICARE providers; access to care; psychological resilience program promotion; screening and surveillance; transition and coordination of care; and, research and development.

The future should continue to be focused on these critical objectives with additional emphasis on the ability to attract and retain all healthcare personnel to include mental health staff, continued and expanded research within the Centers of Excellence, and continue the push towards reducing suicide rates.

127. Senator MCCAIN. Secretary Gates, do you believe these are enduring requirements for the Department, and should be funded through the normal program and budgeting process of the Department rather than through supplemental appropriations?

Secretary GATES. Yes, care for our wounded warriors are enduring requirements for DOD. And yes, as I have said before, war-related requirements that are occurring every year should be funded through the Department's normal program and budgeting process rather than through supplemental appropriations.

#### CHANGE TO THE DISABILITY EVALUATION SYSTEM

128. Senator MCCAIN. Secretary Gates, you also asked: “. . . is there a reason why we could not change the disability rating presumption for wounded warriors to a minimum of 30 percent . . . (to) provide a foundational base of lifetime support that could then be supplemented based on specific circumstances.” What answer have you received to that question?

Secretary GATES. I am told that an assumed rating of all members who have combat-related conditions that render them unfit on the permanent disability retirement list (rating of 30 percent) is subject to the presumption of fitness rule and the statute governing ratings. There are options within policy that could come very close to achieving this outcome.

129. Senator MCCAIN. Secretary Gates, have you formulated a view on the best way forward in modernizing this antiquated system?

Secretary GATES. Yes, the Department of Veterans' Affairs (VA) and DOD, through the Senior Oversight Committee, agreed that the VA would lead the inter-agency development of a legislative package that would transform the DES toward the construct envisioned by the Dole-Shalala Commission. I applaud the VA's willingness to manage the lead in this difficult endeavor and look forward to working with Secretary Shinseki.

#### APPEAL PROCESS FOR DISABILITY RATINGS

130. Senator MCCAIN. Secretary Gates, in the Wounded Warrior Act, Congress created a special appeals board to review disability ratings of 20 percent and below, because many injured and ill servicemembers felt their disabilities had been rated unfairly by the DOD; those who are discharged with lower ratings are eligible for

care from the VA, but their families lose their Government-provided care through TRICARE.

This Board was intended to right the wrongs, where they exist, in the results of disability evaluations for wounded and ill warriors since 2001. Are you committed to ensuring that the intent of Congress will be achieved when the Board finally begins its work this year?

Secretary GATES. Yes, I am committed and will ensure that the Physical Disability Board of Review achieves the intent of Congress.

#### ARMY END STRENGTH

131. Senator MCCAIN. Secretary Gates, in late 2007 you approved the Army's and Marine Corps' proposal to accelerate by 2 years their growth in Active-Duty soldiers to 547,000 and 202,000 respectively. With a commitment to eliminating the use of stop-loss as soon as feasible and to ensure a minimum of 1 year "dwell time," it seems likely that the Army may need to grow even larger to fulfill its operational requirements. What is your assessment of the Active-Duty manpower needs for the Army and Marine Corps and will the 2010 budget support these numbers?

Secretary GATES. I believe the increases in our Ground Forces (Army and Marines) are necessary, and will strengthen the ability of the Department to continue to support our deployment needs. We must have the right numbers and kinds of uniformed personnel to win our wars, and to deter potential adversaries. Additionally, our Forces (Active and Reserve) must be large enough to not only satisfy deployed demands, but have a rotation base that recognizes the personal needs of our volunteers and their families. At the same time, our volunteers must have the weapons, equipment, and support that will enable mission success. Striking the right balance between personnel, recapitalization, and the resources of operational and support costs will be a challenging imperative and I look forward to working with Congress.

132. Senator MCCAIN. Secretary Gates, are you satisfied that the quality of new recruits coming into the Armed Forces—and the Army in particular—is satisfactory?

Secretary GATES. The quality of new recruits is above the average of that in the civilian youth population. For the Active component, at the end of January 2009, 70 percent of new recruits were drawn from the top half of America in math/verbal aptitude, and 94 percent possessed a high school diploma, compared to about 75 percent of American youth. The Army's quality has significantly improved since fiscal year 2008, and is on track to meet or exceed the Department's quality benchmarks for fiscal year 2009.

133. Senator MCCAIN. Secretary Gates, how about the National Guard and Army and Marine Corps Reserve? Are they sized correctly for the requirements being placed upon them?

Secretary GATES. We are well on the way towards increasing the size of the Army and Marine Corps. We are in the middle of growing the Army by 74,000 (Active, Guard, and Reserve). In fiscal year 2009, the Army National Guard (ARNG) has an authorized end strength of 352,600. The National Guard will grow to 358,200 spaces by fiscal year 2013. The Army Reserve will grow by 1,000 spaces. This growth in end strength is a continuation of growth that began last year and is expected to continue through fiscal year 2013.

The Marine Corps growth is in the Active component to enable the Corps to build three Marine Expeditionary Force units and to increase time at home stations between deployments. This growth provides additional Ground Forces to meet strategic demands and mitigate persistent capability shortfalls.

#### MEDICAL SUPPORT FOR TROOPS IN AFGHANISTAN

134. Senator MCCAIN. Secretary Gates, advances in battlefield care and MEDEVAC yielded the lowest mortality rate in history for U.S. Forces serving in Iraq, due largely to the ability to provide care within the first "golden hour" following injury. Does the Department have the resources it needs in Afghanistan to achieve the same standard of lifesaving care for U.S. service men and women who may be injured while serving there?

Secretary GATES. The DOD currently provides the highest standards of lifesaving care for all of its U.S. service men and women whether they are injured in Afghanistan or Iraq.

As a means of background, metrics used for measuring performance of MEDEVAC is from receipt of 9-line MEDEVAC request to drop-off at a medical/surgical facility. Analysis of recent data shows that OEF MEDEVAC currently uses the Joint and NATO doctrinal standards as the mission planning factor, where OIF MEDEVAC uses a more compressed mission complete planning factor.

Despite the differences between OIF and OEF average MEDEVAC mission times, the Joint Theater Trauma Registry shows that the survivability rates of our servicemembers deployed to OIF and OEF are comparable, within 1–2 percent of each other, with OEF having a higher survival rate than OIF. From a medical perspective, our experiences suggest far-forward resuscitation and stabilization rendered during the “platinum 10 minutes” by combat lifesavers, medics and corpsmen have contributed far more to our survival rates than efforts to meet a “golden hour” standard. Recent data and literature support rapid resuscitation, stabilization and evacuation to surgical care after the trauma improves survival for periods of 90–120 minutes—except for a small number of noncompressible thoracic trauma cases. With these early interventions, the cumulative Died of Wounds (DOW) rates in Afghanistan and Iraq are also comparable, with OEF having the lower DOW rate between the two theaters. Nonetheless, we are taking measures to reduce average MEDEVAC mission times in Afghanistan to be comparable with Iraq.

#### CHANGES IN THE ROLE OF THE NATIONAL GUARD AND RESERVE COMPONENTS

135. Senator MCCAIN. Secretary Gates, the changes in expectations for national guardsmen and reservists about the nature of the service they will be expected to perform have been pronounced. We have an Operational Reserve now, and you have been instrumental in ensuring that DOD policies and organizational changes keep up with the new requirements that now exist. Do you think that the Department and the individual Services have made adequate progress in making the best use of the professionals of the Reserve and Guard?

Secretary GATES. Your point that the Guard and Reserve are manned by professionals is a very good one. These citizen-warriors are among the best our Nation has to offer. They serve locally in their communities as civilian professionals and they serve their States and Nation as professionals of their respective Services. These are truly great Americans to whom we owe it to get the best, the most effective, use of their specific and varied expertise. I believe that the DOD is making tremendous strides in capturing and utilizing civilian acquired skills; skills that are often not found in our Active components. One excellent example of this is the Afghan Agriculture-business Development Teams. Guardsmen from across the Nation are using their expertise in Agri-business to coach and mentor Afghan farmers, universities, and the Ministry officials on innovative techniques. More programs like this can be developed and we are working with the Services and their Reserve components to find appropriate force structures that can capitalize on the professional skills of reservists and Guardsmen, while not detracting from the readiness in our conventional formations.

136. Senator MCCAIN. Secretary Gates, what progress has been made in ensuring that the Department, Northern Command, the Department of Homeland Security, and States and their Governors are ready for a natural or man-made disaster?

Secretary GATES. The DOD, including U.S. Northern Command and U.S. Pacific Command, are well prepared to provide substantial lifesaving and life-sustaining assistance, with a sense of urgency, when needed. During the past 8 years, the Department has developed unprecedented capabilities to respond to natural or man-made disasters and has trained and exercised its forces (in more than 40 exercises) to employ these capabilities to provide timely, efficient, and effective support to civil authorities. Consistent with the Department's 2005 Strategy for Homeland Defense and Civil Support,<sup>1</sup> priority has been given to preparing to provide forces and capabilities in support of civil authorities in responses to chemical, biological, radiological, nuclear, and high-yield explosives (CBRNE) incidents, with an emphasis on preparing for multiple, simultaneous mass casualty incidents. On September 11, 2001, DOD had approximately 400 specially trained and equipped personnel ready to assist civil authorities in the response to a domestic CBRNE incident; DOD has more than 9,000 such personnel today and, by 2011, will have nearly 20,000.

As required by the Post-Katrina Emergency Management Reform Act of 2006, DOD and the Federal Emergency Management Agency (FEMA) have developed prescribed mission assignments to expedite the process for requesting DOD assist-

<sup>1</sup> DOD, The Strategy for Homeland Defense and Civil Support, June 2005, page 3.



ance.<sup>2</sup> Current DOD prescribed mission assignments include support in several critical resource areas, including transportation, communications, debris removal, wide-area damage assessment, patient evacuation, incident management, mass care and shelter, resources support, and health and medical support.

Progress also has been made in the arena of planning. Our nation needs realistic, detailed, and coordinated planning at the Federal, State, and local level to eliminate organizational, jurisdictional, and operational seams and gaps, solve shortfalls in needed resources, and ensure a unity of effort in future responses.

In accordance with a December 2007 Presidential directive,<sup>3</sup> Federal agencies with homeland security responsibilities, led by the Department of Homeland Security, are developing Federal plans addressing the 15 National Planning Scenarios, which are representative examples of the gravest dangers facing the United States and have been accorded the highest priority for Federal planning.<sup>4</sup>

This is, however, only the beginning. Incidents begin and end locally, and most can be managed at the local or State level. Federal plans need to complement and supplement State and local plans. To this end, in 2008, FEMA, with DOD support, started a pilot program known as the "Task Force for Emergency Readiness" (TFER) initiative. A TFER will be a planning activity, operating under the authority and direction of a Governor, supported by the Secretary of Homeland Security and Secretary of Defense and augmented by the expertise of the National Guard, that will (a) support participating States' Hazard Identification and Risk Assessment processes to identify threats/hazards, vulnerabilities, and consequences; (b) develop State operations plans for the national planning scenarios; (c) synchronize and integrate, as appropriate, State operations plans with Federal operations plans for the national planning scenarios; (d) synchronize and integrate such State operations plans with those of other States; (e) support the use of State operations plans for training and exercises consistent with section 648 of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. § 748); and (f) support State efforts to monitor and improve their operational readiness consistent with the national preparedness system required by sections 641–647 of the Post-Katrina Emergency Management Reform Act of 2006 (6 U.S.C. §§ 741–747). Currently, the TFER initiative is a pilot program in five States (Hawaii, Massachusetts, South Carolina, Washington, and West Virginia); in the future, we hope to see a TFER established and developing plans in every State. With a TFER in every State, we will have taken a revolutionary step from asking questions about needed capabilities and resources, proper response actions, and responder readiness to having the answers to these questions.

137. Senator McCAIN. Secretary Gates, from what you have seen, are the Army and Air Force fully integrating their National Guard components into their planning and resourcing?

Secretary GATES. The integration of National Guard capabilities is paramount to our ability to perform assigned missions in response to the Global Strategic Environment. The Army and Air Force Departments are working with the National Guard Bureau, through the Directors of the ARNG and Air National Guard (ANG), to fully integrate National Guard components into the planning and resourcing programs of their respective Services. As the Services refine their planning and resourcing efforts, they are also developing processes to provide greater transparency and accountability for the funding and equipment provided to the National Guard and Reserve components. The DOD is committed to making the changes necessary to ensure that the National Guard and Reserve components are resourced and ready to support our Nation both abroad and at home.

138. Senator McCAIN. Secretary Gates, what are your current views about the need for further changes to the organizational structure of the Army, Air Force and the National Guard?

Secretary GATES. The National Guard is comprised of the ARNG and ANG. The ARNG and ANG are Reserve components of the Army and Air Force, respectively. The National Guard Bureau was recently designated as a Joint Activity of the DOD and the Chief of the National Guard Bureau promoted to General. These changes are commensurate with the shift in the Guard's role that we have seen in recent

<sup>2</sup>Section 653(c) of Title VI (the Post-Katrina Emergency Management Reform Act of 2006) of Public Law 109–295 (Department of Homeland Security Appropriations Act for Fiscal Year 2007) (6 U.S.C. § 753(c)).

<sup>3</sup>President of the United States, Homeland Security Presidential Directive–8, National Preparedness, Annex I, National Planning, December 2007.

<sup>4</sup>National Response Framework, January 2008, page 73.

years from a strategic Reserve to an operational Reserve as well as the commitment of National Guard forces to expeditionary and domestic operations. The Army and Air Force both maintain Title 10 responsibilities to organize, man, train, and equip their formations, to include the National Guard components in their respective service. The NGB assists the Services with their Title 10 responsibilities, and facilitates, through the several Joint Force Headquarters, their statutory responsibilities under Title 32, U.S.C., and their duty to their Governors. Full recognition of Joint Force Headquarters-State is a vital next step in ensuring the most effective use of National Guard forces in providing support to civil authorities. I believe that this structural framework is the best way to ensure that the Services as well as the National Guard are able to most effectively operate in their new role.

139. Senator MCCAIN. Secretary Gates, do you think that the Chief of the National Guard Bureau should be a member of the Joint Chiefs of Staff (JCS)?

Secretary GATES. No, I do not. The idea of making the Chief of the National Guard Bureau (CNGB) a member of the JCS has been debated for quite some time. The Commission on the National Guard and Reserves (CNGR), in fact, took a very detailed look at the concept and recommended that the CNGB not be a member of the JCS. The DOD concurred with the CNGR in 2006 and I reaffirm my belief that CNGB should not be a member of the JCS. The JCS consists of the Chairman, Vice Chairman and the Chiefs of Staff of the Armed Services. The National Guard is a component of the Armed Services and is represented on the JCS by the Chiefs of Staff of the Army and the Air Force. A separate representation of a portion of the Reserve components from a portion of the services would be inappropriate, and in my view divisive of a Total Force. As a four star general officer, the CNGB is already participating in all appropriate JCS tank sessions when domestic issues which fall under the purview of our National Guard are involved. This is similar to the methodology used to include the Commandant of the U.S. Coast Guard when specific Coast Guard equities are involved.

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QUESTIONS SUBMITTED BY SENATOR DAVID VITTER

AIR FORCE GLOBAL STRIKE COMMAND

140. Senator VITTER. Secretary Gates, from what I've read, it seems that most of the bomber portion of Air Force Global Strike Command (AFGSC) is already part of Eighth Air Force's mission. Would it be more cost efficient to have the Eighth Air Force designated as the AFGSC since many of the assets are already in place?

Secretary GATES. The Task Force I directed on DOD Nuclear Weapons Management made a number of recommendations regarding the Air Force nuclear enterprise. The Air Force has made great strides concerning these recommendations having completed or is in the process of taking action on all 35 recommendations.

The Air Force thoroughly evaluated the organizational recommendation made in the Task Force report and concluded the best way to address the issues highlighted in the report was to establish a new Major Command (MAJCOM) dedicated to the nuclear and global strike missions. The establishment of AFGSC will clearly align nuclear operational units under a single command and demonstrates an Air Force commitment to the nuclear deterrence and global strike missions.

AFGSC will be a component MAJCOM to United States Strategic Command (STRATCOM), and a lead MAJCOM for all nuclear organizing, training and equipping functions. By keeping its focus on the nuclear mission, AFGSC will foster a robust nuclear culture and establish an effective self-assessment climate while at the same time allowing Eighth Air Force to focus on its operational warfighting mission in support of STRATCOM.

141. Senator VITTER. Secretary Gates, if the Global Strike Command is focused totally on the nuclear role, will the B-52 and B-2 still have a conventional role?

Secretary GATES. The B-52 and B-2 will continue to maintain their conventional role in supporting all combatant commanders. AFGSC is organizing all contiguous United States-based nuclear-capable missiles and aircraft under one MAJCOM. AFGSC bombers will support both nuclear and conventional missions just as the current forces do. The only difference evident to the combatant commanders will be that a different Air Force MAJCOM will be providing the forces. Additionally, the command will work closely with Air Combat Command (ACC) to ensure continued commitment of bombers to current Irregular Warfare/Close Air Support roles in support of CENTCOM operations.

142. Senator VITTER. Secretary Gates, there has been discussion to downgrade the Eighth Air Force commander's position from a three-star general to a two-star general, does that make sense when the Air Force is emphasizing the nuclear bomber mission?

Secretary GATES. The realignment of Eighth Air Force commander's grade structure is a decision that our Air Force takes very seriously. These grade changes were deemed necessary by the Air Force as a result of organizational changes underway, and in no way undermine the emphasis being placed on the nuclear mission. Changes made to the eight AF/CC grade structure will align it with that of the 20th Air Force Commander; the other numbered Air Force to be aligned under AFGSC, and will have no impact on the 8th Air Force Commander's ability to execute his or her role as the commander.

143. Senator VITTER. Secretary Gates, I understand that Eighth Air Force and ACC have made a number of changes as a result of the transfer of nuclear-armed cruise missiles from Minot, SD, to Barksdale, AZ. Some of these include toughening the inspection process, putting Eighth Air Force in the operational chain of command, creating a fourth B-52 squadron, revising the nuclear weapons handling regulations. Is there more that Eighth Air Force and ACC could or should have done that would have avoided the Air Force changes being contemplated?

Secretary GATES. We should have recognized the symptoms in the erosion of the nuclear culture much earlier. Both the daily focus required for nuclear surety compliance and the robustness of nuclear exercises had decreased due to continuous conventional deployments and readiness requirements centered on the conflicts in Iraq and Afghanistan. Key to this result was a lack of comprehensive self assessment, as highlighted by several investigations and reports. The use of no-notice inspections, which are now required, could have been better used to gauge the day-to-day status of compliance. Robust nuclear exercises could have been accomplished to stress the sustainment and operational systems in order to identify any weaknesses. I have asked for help from external Task Forces and Boards in identifying the root cause of these problems, and the Air Force has welcomed these studies. The Air Force has taken positive action to re-establish a culture of excellence and superior performance within the nuclear enterprise and to better organize its nuclear forces. I am pleased with their response and progress to date, but there remains a significant amount of work to be done.

144. Senator VITTER. Secretary Gates, since Barksdale currently operates the Provisional Cyber Command, should the Air Force conclude that the Cyber Numbered Air Force be located elsewhere, would it not be cost-efficient to keep the current cyber assets at Barksdale operating under the Numbered Air Force?

Secretary GATES. Barksdale is one of the bases being considered for basing 24th Air Force, and one of the criteria being evaluated is proximity to an operational cyber unit. While cost efficiency is part of the reason for that criteria, mission effectiveness and synergy are also part of the equation. We will consider all of this and more as we decide where best to base 24th Air Force and organize for effective cyberspace operations.

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#### QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

##### SHIPBUILDING

145. Senator COLLINS. Secretary Gates, a stable shipbuilding industrial base and predictable levels of funding are critical to achieving shipbuilding cost projections. As has been evident in the shipbuilding industry, the lack of a stable, fully funded shipbuilding plan causes disruptions in the industrial base and leads to uneconomical rates of production. While I applaud Secretary Winter and Admiral Roughead for continuing to state that the Navy's goal is a 313-ship fleet, I was very concerned with their decision last summer to suddenly change, without any consultation with Congress, the Navy's shipbuilding plan. Our shipyards make strategic decisions based upon long term plans, such sudden changes have significant impacts, one of which is cost. As we move forward toward this year's budget, what will you do to help stabilize our country's shipbuilding industrial base?

Secretary GATES. The Annual Report to Congress on the Long-Range Plan for Construction of Naval Vessels (commonly referred to as the 30 Year Shipbuilding plan) is the Department's strategic plan to field the force structure to meet the requirements of the National Security Strategy and the QDR meeting the fiscal year 2020 threat. This year's plan will be submitted with the President's budget and rep-

resents the best balance of available resources and acceptable risk in meeting the security demands of the 21st century.

- The Navy's decision last summer to restart the DDG 51 program in lieu of continuing the DDG 1000 program was not reached lightly or without due consideration of the ramifications of such a dramatic change in our shipbuilding program. While the CNO's early testimony supported the existing program of record, and by extension continued procurement of the DDG 1000, the assessment of the intelligence community regarding future threats caused the CNO to question the efficacy of the DDG 1000 to meet the growing demands for Integrated Air and Missile Defense and the DDG 1000's ability to serve as the foundation for the CG(X). Navy's challenge was to find a solution that reduced risk and cost, while providing more ships with better capability to address evolving threats. The Navy presented many options for the most appropriate path forward. While there were concerns, similar to yours, the data supported restarting the DDG 51 line which was already in production. The primary arguments were related to the warfighting capabilities these two ship-types possessed, with a discussion of the relative options for upgrade, merit of those upgrades in meeting the threat we face today and room for additional growth as the threat evolves. Finally, the costs of the options were considered with a view toward finding the solution that had the greatest likelihood of defeating the threat at the lowest overall cost with the least risk.
- In order to better support a stable shipbuilding plan, the Department has been exploring alternatives with the shipbuilding industry to mitigate workload fluctuations among shipyards to maintain a stable and skilled workforce across shipbuilding industry sectors.
  - Level loading of ship procurements helps sustain minimum employment levels and skill retention and will promote a healthier U.S. shipbuilding industrial base.
  - To achieve affordability goals, the Navy plans to make greater use of other contract incentives, such as multi-year procurements, fixed-price contracts (when and where appropriate), and increased use of competition. These efforts are expected to contribute to real cost containment in future shipbuilding plans. The Navy's shipbuilding plan requires a balance among operational requirements and risk, affordability, and industrial base utilization. Keeping the shipbuilding plan affordable and achievable also requires long-term stability in the plan.
  - Implementation of Acquisition Governance to improve oversight of shipbuilding programs and better integrate the requirement and the acquisition communities have been implemented.
  - Navy's long range vision reduces the types and models of ships, maximizes the reuse of ship designs and components, and implements open architecture for software and hardware systems. The Navy will continue to focus on affordability of programs of record by ensuring ship designs are mature prior to the start of construction and emphasizing design for affordability concepts in both the initial design and follow-on ships. These efforts will improve cost and schedule performance which will reduce the growth and variation in existing shipbuilding programs that impact shipyard planning and execution.
  - Navy continues to work with shipbuilders to strive for level loading of production facilities. Workload peaks and valleys are mitigated through work share opportunities and regional outsourcing.
  - Sustaining procurement rates can contribute to reducing the magnitude of annual funding variations and will provide a more stable demand signal to industry. Sustaining procurement rates are planned for aircraft carriers, major surface combatants, attack submarines, and amphibious ships.

The Department believes that future stability in the shipbuilding program is a cornerstone in sustaining a cost effective and affordable future maritime capability supporting the National Security Strategy. Toward that end, the Department of the Navy will continue to work with Congress to ensure a stable shipbuilding strategy that is aligned with the fiscal year 2010 President's budget.

#### NATIONAL GUARD AND RESERVE SUPPORTING GLOBAL WAR ON TERROR

146. Senator COLLINS. Secretary Gates, it has now been over 7 years since the initial call up and mobilization of National Guard and Reserve Forces in support of the global war on terrorism. In the Afghan Study Report of 2007, it stated that "Afghanistan stands at a crossroads," and that the progress achieved over the pre-

vious 6 years was threatened by resurgent Taliban violence. The report recommended that the “light footprint” in Afghanistan be replaced by the “right footprint” of U.S. and Allied force levels.

Unfortunately, it appears that the gains that we made in the past are eroding. President Bush indicated that as troop levels in Iraq decreased, many of those forces would be redeployed to Afghanistan, and I understand that President Obama will continue to refocus our military’s efforts to this region.

Last year, Congress authorized an increase in end strength for both the Army and Marine Corps to help address the pressure the wars in Iraq and Afghanistan had caused to the military. Given the strain on the Active-Duty Forces and the over-usage of the National Guard and Reserves, do you think the current end strength numbers for the Armed Forces are sufficient to meet today’s current needs and threats while reducing the strain on our Active, Reserve, and National Guard troops?

Secretary GATES. All of our servicemembers (Active and Reserve) continue to perform extraordinarily in light of the demands we have placed upon them. I believe the increases in our Ground Forces (Army and Marines) are necessary, and will strengthen the ability of the Department to continue to support the global war on terror. We cannot fail to have the right numbers and kinds of uniformed personnel to win our wars and to deter potential adversaries. Additionally, our Forces (Active and Reserve) must be large enough to not only satisfy deployed demands, but also have a rotation base that recognizes the personal needs of our volunteers and their families. At the same time, our volunteers must have the weapons, equipment, and support that will enable mission success. Striking the right balance between personnel, recapitalization, and operational and support costs will be a challenging imperative and I look forward to working with Congress.

#### AFGHANISTAN

147. Senator COLLINS. Secretary Gates, the new administration has already committed to sending additional forces to Afghanistan. Many of us are concerned about the lack of any publicly described theater strategy for using those additional forces. I am also concerned about the apparent lack of a coherent civil-military plan for integrating our military operations with economic and political development that is so essential to success in counterinsurgency. Is there a plan, and if so, will it be articulated publicly?

Secretary GATES. President Obama has not yet made any decisions on the deployment of additional military forces to Afghanistan. The administration will conduct a strategic review of our policies toward Afghanistan. As we move forward, we will come to this committee and other Members of Congress for advice and support.

Decisions on further deployments of military forces to Afghanistan will be informed by that review.

#### NATO

148. Senator COLLINS. Secretary Gates, Article 5 of the NATO Alliance states “an armed attack against one or more . . . shall be considered an attack against . . . all”. Do you believe that Article 5 of the NATO Alliance is still credible in the eyes of the new, and old, NATO members?

Secretary GATES. Yes. The commitment stated in Article 5 is the fundamental bedrock of shared security among members of the Alliance. Its universal application was demonstrated following the September 11, 2001 attacks on the United States, when NATO formally invoked Article 5 to provide support to our country.

Last year’s events have further highlighted the critical importance of Article 5 to all members of the Alliance, particularly for newer NATO members. The Alliance has been considering a range of options to underscore the fundamental nature of this commitment, including prudent planning, exercises, and the continued development of capabilities such as the NATO Response Force to handle the full range of crisis response operations up to and including responding to an Article 5 situation.

149. Senator COLLINS. Secretary Gates, do you believe it is credible to potential adversaries of the members of the NATO Alliance?

Secretary GATES. Yes, Allies have always been united in their conviction that the Article 5 collective defense provision of the North Atlantic Treaty is the essential foundation of the Alliance. That Alliance solidarity, backed up by the enduring U.S. commitment to the idea that the security of Europe is inextricably linked to the se-

curity of North America, is a credible deterrent to potential adversaries of the members of the NATO Alliance.

150. Senator COLLINS. Secretary Gates, in your opinion, what should the priorities of the Obama administration be for NATO during the next 4 years?

Secretary GATES. I expect we will all hear President Obama himself lay out his priorities for NATO at the 60th Anniversary Summit in April. My own view is that the United States has enormous stakes in a strong, mutually supportive NATO Alliance that is organized and has the capabilities to meet 21st century security challenges. NATO has made a great deal of progress in these areas and continues to evolve as it conducts the largest and most important operation in Alliance history in Afghanistan. However, challenges remain. These include, first and foremost, achieving durable progress in Afghanistan, while also developing a common approach toward managing relations with Russia. We also want to keep the door open to qualified aspirants, and improve the prospects for unity-of-action between NATO and the EU. Finally, it is important for Allies to continue to seek common ground across the Alliance on emerging threats and opportunities.

151. Senator COLLINS. Secretary Gates, what do you believe is the proper role for NATO in meeting the foreign policy challenges that the United States and our allies face today?

Secretary GATES. NATO is, first and foremost, a military alliance committed to the security of its members. The greatest challenge to that security, today, emanates from Afghanistan, so it must be our top priority. In a broader sense, NATO also serves as a valuable forum for cooperation and consultation among the U.S. Allies, partners, and other European organizations such as the EU.

In addition, NATO has the opportunity to strengthen its security capacity by continuing to professionalize, transform, and develop the forces of its newer members to work in challenging operational environments.

#### PAKISTAN

152. Senator COLLINS. Secretary Gates, the situation in Pakistan is extremely worrisome, not only because Taliban fighters are using Pakistani bases to attack our soldiers in Afghanistan, but also because of the persistence of the sanctuaries of al Qaeda and affiliated groups within Pakistan itself. The PAK MIL has been making much of its recent operations in portions of the FATA, but it is very hard to tell from this distance how serious those operations are. Do you believe that the PAK MIL is making sustainable progress?

Secretary GATES. I believe the PAK MIL has been making progress in counterinsurgency missions in the FATA, but that progress has not been wholly adequate to the threat or capabilities of the militant, nor has it been sustained long enough to make a significant impact. Counterinsurgency is a relatively new mission area for the PAK MIL and Frontier Corps, one for which they were ill-prepared and poorly trained. We are assisting them in that training requirement, and in providing some technical assistance, but much more needs to be done to make an effective clear, hold, build strategy. Without the holding capacity provided by effective security, the military's progress is unsustainable, since terrorists and militants will reoccupy those areas. Additionally, peace agreements that are supposed to allow the Federal and provincial governments to provide the local populace with development often undermine the military's progress by allowing terrorists and militants time to regroup. The government also does not follow through on their development promises, which results in a frustrated local populace and a security vacuum which can be exploited.

153. Senator COLLINS. Secretary Gates, is it willing and able to do what is necessary to finish the job?

Secretary GATES. Although Pakistan continues to assist in the fight against extremists, its participation does not come without a domestic price. The Army's reputation has suffered as a result of these efforts. Army senior leaders appear committed to combating the terrorist threat, but they have other concerns that at times trump their commitment, such as Pakistan's stability, domestic opposition, Army morale, and potential conflict with India. Pakistan's Army and security forces historically have had little counterinsurgency training. Their capability has and will continue to improve through combat experience and training, but faces continued manpower and equipment shortfalls, particularly in the current global economic environment, which has hit Pakistan hard.

154. Senator COLLINS. Secretary Gates, are we doing everything we can to help? Secretary GATES. Senator, your question is very timely. The administration will conduct a strategic review of our policies toward Pakistan and Afghanistan to determine what we should and can do. As we move forward, we will be coming to you and other Members of Congress for advice and support as we determine what we can do to help with Pakistan.

The U.S. has worked closely with Pakistan to provide the Frontier Corps and elements of Pakistan's Army—including its SOF—with the training and equipment necessary to enhance its ability to secure the border, deny terrorists safe havens, and provide a secure environment for the border population so that investments in development can yield results.

The United States reimburses Pakistan through Coalition Support Funds for the incremental costs it incurs while conducting operations in support of OEF. These reimbursements are enablers that allow a country like Pakistan, which is undergoing severe economic pressure, to continue operations against extremists. Nevertheless, more needs to be done to enhance Pakistan's counterterrorism and counterinsurgency capabilities to defeat extremists within its borders. To this end, DOD will seek to expand its train-and-equip mission to help Pakistan's Army improve its ability to conduct counterterrorism and counterinsurgency missions.

#### IRAQ

155. Senator COLLINS. Secretary Gates, the situation in Iraq is improving, but as all of the commanders and our ambassador constantly repeat, it remains fragile and potentially reversible. Iraq is scheduled to hold provincial elections at the end of this month, a referendum on the Strategic Framework Agreement in the summer, and parliamentary elections at the end of the year. Each event offers opportunities for the U.S. and the Iraqis, but also dangers. How confident are you that the current plans for American force levels, and proposed funding levels for nonmilitary tasks, are adequate to ensure the success of our efforts in Iraq?

Secretary GATES. The President's plan represents a responsible and reasonable drawdown of combat units in Iraq to an initial transitional force that will help consolidate the hard-fought gains that coalition and Iraqi forces have made over the last several years. This plan, based on an assessment of conditions in Iraq that includes significantly reduced levels of violence, more capable ISF, and recent successful provincial elections, provides our military commanders with the flexibility they will require during this critical time in Iraq.

Because progress remains fragile, a U.S. military presence will be necessary to support the Iraqis while they conduct national elections and further develop the ISF's capabilities through 2009. After an initial drawdown this year, U.S. force levels will likely remain at a robust level in the period immediately preceding until shortly after the national elections, currently expected to take place before the end of January 2010.

As we redeploy our combat brigades, we will simultaneously pursue the second part of the U.S. strategy: sustained political and diplomatic efforts to secure a more peaceful and prosperous Iraq. Although Iraq's long-term success depends on its leaders and the fortitude of the Iraqi people, a strong political, diplomatic, and civilian capacity-building effort can advance progress and lay a foundation for lasting peace and security. The Department recognizes that resources applied to non-military efforts are critical to success in Iraq, and fully supports the State Department's funding requests for these vital activities.

#### F-22

156. Senator COLLINS. Secretary Gates, you will be advising the President on the certification of the F-22 program. Will you seek the position of ACC as well as the Pacific and European Air Component Commanders to inform your decision on this issue?

Secretary GATES. The Department is currently reviewing whether to procure more F-22A aircraft beyond its current Program of Record quantity of 183. We will take into consideration all appropriate data from the necessary sources in the development of our recommendation to the administration.

157. Senator COLLINS. Secretary Gates, our economy is in a deep recession, and the defense industrial base is an important part of our economy. I believe that the administration must consider the defense industrial base, such as the 95,000 (direct

and indirect) jobs associated with the F-22 program. Will industrial base considerations be a factor in this vital decision?

Secretary GATES. The Department will consider all appropriate factors in making a recommendation to the administration on whether to continue or terminate F-22 production. Some of the factors that will go into the Department's recommendation are: compliance in meeting the requirements of the current National Military Strategy; the affordability of additional F-22 aircraft within the Department's resource constrained environment; and consideration of the national technology and industrial base.

[Whereupon, at 12:18 p.m., the committee adjourned.]

